

TOWN OF POCA

Sewer Revenue Bonds,
Series 1987 A and Series 1987 B

Date of Closing: March 12, 1987

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

- 1 Bond and Notes Ordinance
- 2 Supplemental Bond Resolution
- 3 Loan Agreement
- 4 Supplemental Loan Agreement
- 5 Public Service Commission Order
- 6 Cross-Receipt for Bonds and Bond Proceeds
- 7 Direction to Authenticate and Deliver Bonds
- 8 Specimen Series 1987 A Bond
- 9 Specimen Series 1987 B Bond

OPINIONS OF COUNSEL

- 10 Approving Opinion on Series 1987 A Bond of Steptoe & Johnson, Bond Counsel
- 11 Approving Opinion on Series 1987 B Bond of Steptoe & Johnson, Bond Counsel
- 12 No Arbitrage Opinion of Steptoe & Johnson, Bond Counsel
- 13 Opinion of Counsel to Issuer

CERTIFICATES

- 14 General Certificate of Issuer and Attorney
- 15 Certificate as to Arbitrage
- 16 Certificate of Engineer
- 17 Certificate of Public Accountant

DOCUMENTS OF THE ISSUER

- 18 Town Charter
- 19 Oaths of Office of Councilmembers
- 20 Ordinance Creating Sanitary Board
- 21 Petition of Sanitary Board
- 22 Affidavit of Publication of Abstract of Bond and
Notes Ordinance and Notice of Public Hearing
- 23 Rate Ordinance
- 24 Affidavit of Publication of Rate Ordinance and
Notice of Public Hearing
- 25 Minutes on Enactment of Bond and Notes Ordinance and
Adoption of Supplemental Bond Resolution (Meetings of
February 2, February 9, February 23, and March 7,
1987)
- 26 IRS Information Return (Form 8038G)

MISCELLANEOUS DOCUMENTS

- 27 EPA Grant Agreement, with Part B Amendment
- 28 West Virginia Small Cities Block Grant Agreement
- 29 Acceptance by Kanawha Valley Bank, National
Association of Duties as Registrar
- 30 Acceptance by The National Bank of Commerce of Nitro,
of Duties as Depository Bank
- 31 Certificate of Registration

- 32 Registrar's Agreement
- 33 Assignment Separate From Bond
- 34 Escrow Agreement
- 35 Certificate of Defeasance
- 36 Resolution Authorizing Defeasance of 1964 Bonds

03/11/87
POCA3-B

TOWN OF POCA
SEWER REVENUE BONDS, SERIES 1987 A AND SERIES 1987 B
and
SEWERAGE SYSTEM
INTERIM CONSTRUCTION FINANCING

BOND AND NOTES ORDINANCE

Table of Contents

<u>Subject</u>	<u>Page</u>
ARTICLE I - STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS	
Section 1.01 Authority for this Ordinance	1
Section 1.02 Findings	1
Section 1.03 Bond Legislation Constitutes Contract	4
Section 1.04 Definitions	4
ARTICLE II - AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT	
Section 2.01 Authorization of Construction and Acquisition of the Project	13
ARTICLE III - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT	
Section 3.01 Authorization of Bonds	14
Section 3.02 Terms of Bonds	14
Section 3.03 Execution of Bonds	15
Section 3.04 Authentication and Registration	15
Section 3.05 Negotiability, Transfer and Registration	15
Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost	16
Section 3.07 Bonds not to be Indebtedness of the Issuer	17
Section 3.08 Bonds Secured by Pledge of Net Revenues; Series 1987 B Bonds to be Junior and Subordinate to Series 1987 A Bonds	17
Section 3.09 Form of Original Bonds	17
FORM OF SERIES 1987 A BOND	18
FORM OF SERIES 1987 B BOND	25

<u>Subject</u>	<u>Page</u>
Section 3.10 Sale of Original Bonds; Ratification of Execution of Loan Agreement with Authority	32
ARTICLE IV - INTERIM CONSTRUCTION FINANCING	
Section 4.01 Authorization and General Terms	33
Section 4.02 Terms of and Security for Notes; Trust Indenture	33
Section 4.03 Notes are Special Obligations	33
Section 4.04 Letters of Credit	33
ARTICLE V - SYSTEM REVENUES AND APPLICATION THEREOF	
Section 5.01 Establishment of Funds and Accounts with Depository Bank	35
Section 5.02 Establishment of Funds and Accounts with Commission	35
Section 5.03 System Revenues; Flow of Funds	35
ARTICLE VI - BOND PROCEEDS; FUNDS AND ACCOUNTS	
Section 6.01 Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	41
Section 6.02 Disbursements from the Bond Construction Trust Fund	41
ARTICLE VII - ADDITIONAL COVENANTS OF THE ISSUER	
Section 7.01 General Covenants of the Issuer	43
Section 7.02 Bonds and Notes not to be Indebtedness of the Issuer	43
Section 7.03 Bonds Secured by Pledge of Net Revenues	43
Section 7.04 Initial Schedule of Rates and Charges	44
Section 7.05 Sale of the System	44
Section 7.06 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	45
Section 7.07 Parity Bonds	46
Section 7.08 Books and Records	48
Section 7.09 Rates	49
Section 7.10 Operating Budget and Audit	50
Section 7.11 No Competing Franchise	51
Section 7.12 Enforcement of Collections	51
Section 7.13 No Free Services	51
Section 7.14 Insurance and Construction Bonds	52
Section 7.15 Mandatory Connections	53
Section 7.16 Completion of Project	53

<u>Subject</u>	<u>Page</u>
ARTICLE VIII - INVESTMENT OF FUNDS; NON ARBITRAGE	
Section 8.01 Investments	54
Section 8.02 Restrictions as to Arbitrage Bonds	54
Section 8.03 Rebates of Excess Arbitrage Earnings	55
ARTICLE IX - DEFAULT AND REMEDIES	
Section 9.01 Events of Default	56
Section 9.02 Remedies	56
Section 9.03 Appointment of Receiver	57
ARTICLE X - DEFEASANCE	
Section 10.01 Defeasance of Series 1987 A Bonds	59
Section 10.02 Defeasance of Series 1987 B Bonds	60
Section 10.03 Defeasance of Notes	61
ARTICLE XI - MISCELLANEOUS	
Section 11.01 Amendment or Modification of Bond Legislation	62
Section 11.02 Bond Legislation Constitutes Contract	62
Section 11.03 Severability of Invalid Provisions	62
Section 11.04 Headings, Etc.	62
Section 11.05 Amendments to Maintain Tax Exemption	62
Section 11.06 Conflicting Provisions Repealed	63
Section 11.07 Covenant of Due Procedure, Etc.	63
Section 11.08 Effective Date	63
Section 11.09 Statutory Notice and Public Hearing	63
SIGNATURES	64
CERTIFICATION	65
EXHIBIT A	66

02/02/87
POCA4-B

TOWN OF POCA

ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF POCA AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 A, NOT MORE THAN \$500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 B, AND NOT MORE THAN \$4,500,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES OR BOTH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

POCA: BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

Section 1.02. Findings. It is hereby found, determined and declared that:

A. The Town of Poca (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Putnam County of said State.

B. The Issuer now owns and operates a public sewage treatment, collection and transportation system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additions, betterments and improvements for such existing sewerage facilities of the Issuer (the "Project") which constitute properties for the treatment and collection of liquid or solid wastes, sewage or industrial wastes (the existing system, the Project, and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of \$5,307,456, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds (as hereinafter defined) and all Sinking Fund, Reserve Account and other payments provided for herein.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than \$1,500,000 in two series, being the Series 1987 A Bonds in the aggregate principal amount of not more than \$1,000,000, and the Series 1987 B Bonds in the aggregate principal amount of not more than \$500,000 (collectively, the "Bonds"), and (at the option of the Issuer) to issue contemporaneously therewith, or as soon as practicable thereafter, its sewerage system grant anticipation notes, or a note or notes evidencing a line of credit, or both (collectively, the "Notes") in the aggregate principal amount of not more than \$4,500,000 to temporarily finance costs of construction and acquisition of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Notes during the term thereof and upon the Bonds prior to and during construction or acquisition and for 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Accounts; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may

be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, including, with respect to the Notes, any fees for the providing of a letter of credit, as hereinafter defined, and any costs of obtaining insurance thereon; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or Notes or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 40 years.

F. It is in the best interests of the Issuer that its Original Bonds (as hereinafter defined) be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement (collectively, the "Loan Agreement") both dated November 12, 1986, entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, and attached hereto as "Exhibit A," and made a part hereof.

G. There are not outstanding any obligations of the Issuer which will rank prior to or on a parity with the Bonds as to lien and source of and security for payment. The Series 1987 B Bonds shall be junior and subordinate to the Series 1987 A Bonds as set forth herein. The Notes, if issued, will not be payable from the Net Revenues, but shall be payable from Grant Receipts, Surplus Revenues and proceeds of a letter of credit, all as shall be set forth in the Indenture or the Supplemental Resolution authorizing the Notes.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

I. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt bonds during the calendar year in which the Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds and the Notes by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders and such Noteholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds and Notes, respectively, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series and between any one Note and any other Note, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer or any acting Mayor duly appointed by the Governing Body.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

"Bondholder," "Holder of the Bonds," "Holder" or any similar term whenever used herein with respect to an outstanding Bond or Bonds, means the person in whose name such Bond is registered.

"Bond Legislation," "Ordinance," "Bond and Notes Ordinance" or "Local Act" means this Bond and Notes Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

"Bond Registrar" means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Bonds" means the Original Bonds, and any bonds on a parity therewith authorized to be issued hereunder.

"City Clerk" or "Recorder" means the Recorder of the Issuer.

"Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Consulting Engineers" means Appalachian, Hart & Milam, Inc., Dunbar, West Virginia, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

"Costs" or "Costs of the Project" means those costs described in Section 1.02(D) hereof to be a part of the cost of construction and acquisition of the Project.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

"Eligible Costs" means Costs of the Project which are reimbursable in full on a dollar-for-dollar basis from EPA Grant Receipts, the total of which are equal in amount to the EPA Grant.

"EPA" means the United States Environmental Protection Agency and any successor to the functions of the EPA.

"EPA Grant" means the grant from the EPA pursuant to the commitment therefor.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the council of the Issuer, as may hereafter be constituted.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America.

"Grant Agreement" means a written commitment for the payment of the EPA Grant or any of the Other Grants, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which Grant is to be paid to the Issuer; provided that, "EPA Grant Agreement" means only the Grant Agreement relating to the EPA Grant and "Other Grant

"Agreements" means only those Grant Agreements relating to the Other Grants.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant after the date of issuance of the Notes; provided that "EPA Grant Receipts" means only Grant Receipts on account of the EPA Grant, and "Other Grant Receipts" means only Grant Receipts on account of any or all of the Other Grants.

"Grants" means, collectively, the EPA Grant and the Other Grants, as hereinafter defined.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined, and for the furnishing by the Issuer of miscellaneous service.

"Herein," "hereto" and similar words shall refer to this entire Bond Legislation.

"Independent Certified Public Accountants" shall mean any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Indenture" or "Trust Indenture" means the Trust Indenture which may be entered into between the Issuer and the Trustee relating to the Notes and all supplements or amendments thereto.

"Issuer" means the Town of Poca, in Putnam County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement, both dated November 12, 1986, heretofore entered into between the Authority and the Issuer providing for the purchase of the Original Bonds from the Issuer by the Authority, the forms of which shall be approved, and the execution and delivery by the Issuer authorized by, this

Ordinance or an ordinance or resolution enacted or adopted by the Issuer prior to the enactment of this Ordinance.

"Mayor" means the Mayor of the Issuer.

"Net Revenues" means the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined.

"Noteholder," "Holder of the Notes" or any similar term means the person, whenever used herein with respect to an outstanding Note or Notes, in whose name such Note is registered.

"Notes" or "GAN" means collectively, the not more than \$4,500,000 in aggregate principal amount of Sewerage System Grant Anticipation Notes, originally authorized hereby, or the not more than \$4,500,000 in aggregate principal amount of a note or notes evidencing a line of credit originally authorized hereby, and unless the context clearly indicates otherwise, the terms "Notes" or "GAN" includes any refunding Notes or GAN of the Issuer.

"Notes Construction Trust Fund" means the Notes Construction Trust Fund which may be established by Section 4.02 of the Indenture.

"Notes Debt Service Fund" means the Notes Debt Service Fund which may be established by Section 4.01 of the Indenture.

"Notes Registrar" means the bank to be designated as such in the Indenture or the Supplemental Resolution and its successors and assigns.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar, Paying Agent and the Trustee (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds or Notes, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than \$1,000,000 in aggregate principal amount of Series 1987 A Bonds and the not more than \$500,000 in aggregate principal amount of Series 1987 B Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted and authorized by this Bond Legislation.

"Original Notes Purchaser" means, in the event grant anticipation notes are issued, G. L. Cottrill & Company, Inc., of Morgantown, West Virginia, or such other original purchaser of the Notes as shall be named in a resolution supplemental hereto, and, in the event a note or notes evidencing a line of credit are issued, such bank or banks as shall be named in a resolution supplemental hereto.

"Other Grants" means collectively, the West Virginia Small Cities Block Grant, together with any other grant hereafter received by the Issuer to aid in financing any Costs.

"Outstanding," when used with reference to Bonds or Notes and as of any particular date, describes all Bonds theretofore and thereupon being delivered or all Notes theretofore and thereupon being authenticated and delivered except (i) any Bond or Note cancelled by the Bond Registrar, or Notes Registrar, at or prior to said date; (ii) any Bond or Note for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be in trust hereunder or under the Indenture, as applicable, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond or Note deemed to have been paid as provided in Article X hereof or Article VIII of the Indenture, as applicable; and (iv) for purposes of consents or other action by a specified percentage of Bondholders or Noteholders, any Bonds or Notes registered to the Issuer.

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the bank or banks or other entity designated as such for the Bonds and/or the Notes in the Indenture or in the Supplemental Resolution or such entity or authority as may be designated by the Issuer.

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"Project" means the acquisition and construction of additions, betterments and improvements for the existing municipal sewerage system of the Issuer, consisting of a new treatment plant, collection lines, force mains, pump stations, rehabilitation of certain existing collection lines and all necessary appurtenances.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or

increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The Investment Agreement which, in the event Notes are issued, may be entered into by and between the Trustee and the bank designated as "Investment Bank" in the Supplemental Resolution;

(i) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

(j) Obligations of States or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Registered Owner," "Noteholder," "Bondholder," "Holder" or any similar term means whenever used herein with respect to an

outstanding Bond, Note, Bonds or Notes, the person in whose name such Bond or Note is registered.

"Registrar" means as appropriate, either the Bond Registrar or the Notes Registrar or both.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01 hereof.

"Revenue Fund" means the Revenue Fund established by Section 5.01 hereof.

"Series 1987 A Bonds" or "Series A Bonds" means the not more than \$1,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1987 A, of the Issuer.

"Series 1987 A Bonds Reserve Account" means the Series 1987 A Bonds Reserve Account established in the Series 1987 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1987 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1987 A Bonds in any year.

"Series 1987 A Bonds Sinking Fund" means the Series 1987 A Sinking Fund established by Section 5.02 hereof.

"Series 1987 B Bonds" or "Series B Bonds" means the not more than \$500,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1987 B, of the Issuer.

"Series 1987 B Bonds Reserve Account" means the Series 1987 B Bonds Reserve Account established in the Series 1987 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1987 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1987 B Bonds in any year.

"Series 1987 B Bonds Sinking Fund" means the Series 1987 B Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolutions authorizing the sale of the Notes or the Original Bonds; provided, that any matter intended by this Ordinance

to be included in the Supplemental Resolution with respect to the Notes or the Original Bonds, as the case may be, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including the Renewal and Replacement Fund and the Reserve Accounts, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project.

"System" means the works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, owned by the Issuer and under the supervision and control of a sanitary board, and any extensions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

"Tap Fees" means the fees, if any, paid by prospective customers of the System in order to connect thereto.

"Trustee" means the banking institution designated as trustee for the Noteholders under the Indenture, if any, its successors and assigns.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF CONSTRUCTION
AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project, at an estimated cost of \$5,307,456, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Notes and the Bonds hereby authorized shall be applied as provided in the Indenture, if any, and Article VI hereof, respectively.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1987 A Bonds, funding a reserve account for each series of Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any of such purposes, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than \$1,500,000. Said Bonds shall be issued in two series, to be designated respectively, "Sewer Revenue Bonds, Series 1987 A," in the aggregate principal amount of not more than \$1,000,000, and "Sewer Revenue Bonds, Series 1987 B," in the aggregate principal amount of not more than \$500,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. Such Bonds shall be issued contemporaneously with or prior to issuance of the Notes, if any. The proceeds of the Bonds remaining after funding of the Reserve Accounts and capitalization of interest, if any, shall be deposited in the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Bonds shall bear interest at such rate or rates, not exceeding the then legal maximum, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Bonds shall be payable as to principal at the office of the Commission, as Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds of each series shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as

applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof, all as determined by a Supplemental Resolution. The Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial

Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds.

So long as any of the Bonds remain outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost.
In any case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond

shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Series 1987 B Bonds to be Junior and Subordinate to Series 1987 A Bonds. The payment of the debt service of all the Series 1987 A Bonds shall be secured forthwith equally and ratably with each other, by a first lien on the Net Revenues derived from the System. The payment of the debt service of all the Series 1987 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1987 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Funds, the Reserve Accounts therein and the Renewal and Replacement Fund hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.09. Form of Original Bonds. The text of the Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Series 1987 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF POCA
SEWER REVENUE BOND, SERIES 1987 A

No. AR-_____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF POCA, a municipal corporation of the State of West Virginia in Putnam County of said State, (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ (\$ _____), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning _____ 1, 19____. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of Kanawha Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, at any time, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with the Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewage treatment, collection and transportation facilities of the Issuer (the "Project") (ii) to pay interest on the Bonds of this series (the "Bonds") during the construction of the Project and for approximately _____ months thereafter; and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on _____, 1987, and _____, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1987 B, of the Issuer (the "Series 1987 B Bonds"), issued in the aggregate principal amount of \$_____, which Series 1987 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1987 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1987 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, the Series 1987 B Bonds, and

all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds or the Series 1987 B Bonds, provided however, that so long as there exists in the Series 1987 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in any year, and in the reserve accounts established for the Series 1987 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1987 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, the TOWN OF POCA has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Recorder, and has caused this Bond to be dated _____, 1987.

[SEAL]

Mayor

ATTEST:

Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____

KANAWHA VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

In the presence of:

[Form of Series 1987 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF POCA
SEWER REVENUE BOND, SERIES 1987 B

No. BR-_____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF POCA, a municipal corporation of the State of West Virginia in Putnam County of said State, (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ (\$ _____), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewage treatment, collection and transportation facilities of the Issuer (the "Project") and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on _____, 1987 and _____, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and

conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1987 A Bonds herein described, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1987 B Bonds Reserve Account"), and unexpended proceeds of the Bonds of this series (the "Bonds"). Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 1987 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest, if any, on the Bonds, the Series 1987 A Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Series 1987 A Bonds or the Bonds, provided however, that so long as there exists in the Series 1987 B Bonds Reserve Account and the reserve account established for the Series 1987 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest which will become due on the Bonds and the Series 1987 A Bonds in any year, and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only

upon the books of Kanawha Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements as set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1987 A Bonds.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1987 A, OF THE ISSUER (THE "SERIES 1987 A BONDS"), ISSUED CONCURRENTLY HERewith AND DESCRIBED IN THE BOND LEGISLATION.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, the TOWN OF POCA has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Recorder, and has caused this Bond to be dated _____, 1987.

[SEAL]

Mayor

ATTEST:

Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____

KANAWHA VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By. _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

In the presence of:

Section 3.10. Sale of Original Bonds; Ratification of Execution of Loan Agreement with Authority. The Original Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution is hereby authorized, ratified and approved.

ARTICLE IV

INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts, the Issuer may issue and sell its Notes in an aggregate principal amount not to exceed \$4,500,000. The Notes may be in the form of grant anticipation notes or as evidence of a line of credit from a commercial bank or other lender, at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture or supplemental resolution, as applicable.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes, if issued, shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof, with such terms and secured in the manner set forth in the Indenture, if applicable (which Indenture in the form to be executed and delivered by the Issuer shall be approved by a supplemental resolution), or supplemental resolution, if no Indenture is used.

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from the Grant Receipts, Surplus Revenues, letter of credit proceeds and other sources described in the Indenture or supplemental resolution. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture.

Section 4.04. Letters of Credit. As additional security for the Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed \$750,000 in the aggregate. In the event of a draw under any

such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of letter of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission:

- (1) Series 1987 A Bonds Sinking Fund;
 - (a) Within the Series 1987 A Bonds Sinking Fund, the Series 1987 A Bonds Reserve Account.
- (2) Series 1987 B Bonds Sinking Fund;
 - (a) Within the Series 1987 B Bonds Sinking Fund, the Series 1987 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The Issuer shall first, each month, pay from the Revenue Fund the Operating Expenses of the System.

(2) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1987 A Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1987 A Bonds Sinking Fund, a sum

equal to $1/6$ th of the amount of interest which will become due on said Series 1987 A Bonds on the next ensuing semiannual interest payment date, less any earnings transferred from the Series 1987 A Bonds Reserve Account for the purpose of making interest payments on the Series 1987 A Bonds; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1987 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1987 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1987 A Bonds Sinking Fund, a sum equal to $1/12$ th of the amount of principal which will mature and become due on said Series 1987 A Bonds on the next ensuing principal payment date, less any earnings transferred from the Series 1987 A Bonds Reserve Account for the purpose of making principal payments on the Series 1987 A Bonds; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1987 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1987 A Bonds, if not fully funded upon issuance of the Series 1987 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1987 A Bonds Reserve Account, an amount equal to $1/120$ of the Series 1987 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1987 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1987 A Bonds Reserve Requirement.

(5) From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month,

commencing with the month succeeding the first full calendar month after commencement of operation of the System, transfer to the Renewal and Replacement Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the Series 1987 A Bonds Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1987 A Bonds Reserve Account [except to the extent such deficiency exists because the required payments into such account has not, as of the date of determination of a deficiency, funded such account to the maximum extent required by Subsection 5.03(A)(4)] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1987 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1987 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1987 B Bonds on the next ensuing principal payment date, less any earnings transferred from the Series 1987 B Bonds Reserve Account for the purpose of making principal payments on the Series 1987 B Bonds; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1987 B Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(7) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1987 B Bonds, if not fully funded upon issuance of the Series 1987 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1987 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1987 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1987 B

Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1987 B Bonds Reserve Requirement.

Moneys in the Series 1987 A Bonds Sinking Fund and the Series 1987 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the respective series of Bonds as the same shall become due. Moneys in the Series 1987 A Bonds Reserve Account and the Series 1987 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the respective series of Bonds, as the same shall come due, when other moneys in the attendant Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the several Sinking Funds and Reserve Accounts shall be returned, not less than once each year, by the Commission to the Issuer, for deposit in the Revenue Fund, and such amounts shall be applied in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 1987 A Bonds Reserve Account which result in a reduction in the balance of the Series 1987 A Bonds Reserve Account to below the Series 1987 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1987 A Bonds Sinking Fund for payment of debt service on the Bonds have been made in full.

Any withdrawals from the Series 1987 B Bonds Reserve Account which result in a reduction in the balance of the Series 1987 B Bonds Reserve Account to below the Series 1987 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1987 A Bonds Sinking Fund, the Series 1987 A Bonds Reserve Account, the Renewal and Replacement Fund and the Series 1987 B Bonds Sinking Fund have been made in full.

As and when additional Bonds ranking on a parity with the Series 1987 B Bonds are issued, provision shall be made for additional payments into the Series 1987 B Sinking Fund sufficient to pay the interest on such

additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Series 1987 B Reserve Account in an amount equal to the maximum provided and required to be paid into the Series 1987 B Sinking Fund in any year for account of all the Series 1987 B Bonds, including such additional Series 1987 B Bonds which by their terms are payable from such Sinking Fund.

The Issuer shall not be required to make any further payments into the Series 1987 A Bonds Sinking Fund, or the Series 1987 B Bonds Sinking Fund or into the Reserve Accounts therein when the aggregate amount of funds in said respective Sinking Funds and Reserve Accounts are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created hereunder, and all amounts required for said Sinking Funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Sinking Funds shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Sinking Funds, including the Reserve Accounts therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the respective Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required

to be so transferred and paid into the Sinking Funds, including the Reserve Accounts therein, and the Renewal and Replacement Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System, including, but not limited to, payment to the Trustee for deposit in the Notes Debt Service Fund, as defined in the Indenture.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay the Depository Bank's charges and the Paying Agent fees then due.

D. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

E. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates.

F. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

G. The Gross Revenues of the System shall only be used for purposes of the System.

H. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System, provided that, in the event Notes are issued, Tap Fees may, with the written consent of the Authority be deposited otherwise.

ARTICLE VI

BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Original Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1987 A Bonds, there shall be deposited with the Commission in the Series 1987 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1987 A Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1987 A Bonds, there shall be deposited with the Commission in the Series 1987 A Reserve Account and from the proceeds of the Series 1987 B Bonds, there shall be deposited with the Commission in the Series 1987 B Reserve Account the respective sums, if any, set forth in the Supplemental Resolution for funding of the Reserve Accounts.

C. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

D. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation and Indenture (if any). Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Series 1987 A Bonds, and thereafter for the Series 1987 B Bonds. In the event that Notes are issued, the disposition of funds in the Bonds Construction Trust Fund may be modified from that set forth herein, with the written consent of the Authority.

Section 6.02. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

Disbursements from the Bond Construction Trust Fund, except for the costs of issuance of the Original Bonds which shall be made upon request of the Issuer, shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

(A) That none of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) That each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) That each of such costs has been otherwise properly incurred; and

(D) That payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund to the Series 1987 A Bonds Reserve Account, and when fully funded to the Series 1987 B Bonds Reserve Account, and when both Reserve Accounts are fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds or the interest thereon is Outstanding and unpaid.

Until the payment in full of the principal of and interest on the Notes when due, and to the extent they do not materially adversely affect Bondholders, the covenants, agreements and provisions contained in this Bond Legislation shall, where applicable, also inure to the benefit of the Holders of the Notes and the Trustee therefor and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by the Trustee or any Holder or Holders of said Notes as prescribed in the Indenture; provided, that Section 7.04 and Section 7.09 shall not be applied to the Notes.

Section 7.02. Bonds and Notes not to be Indebtedness of the Issuer. Neither the Bonds nor the Notes shall be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds or Notes, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or Notes or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1987 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System and payment of the debt service of the Series 1987 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Series 1987 A Bonds. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the

Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the ordinance of the Issuer enacted September 22, 1986.

Section 7.05. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds and Notes, if any, Outstanding, or to effectively defease this Ordinance in accordance with Section 10.01 hereof and, if entered into and not previously defeased, the Indenture in accordance with Section 8.01 thereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds about to mature. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System. With respect to the Notes, such proceeds in an amount sufficient to pay the Notes in full shall be applied to the payment of the Notes, either at maturity or, if allowable under the Supplemental Resolution or Indenture, prior thereto.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such

sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of \$50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise, shall be deposited in the Revenue Fund. Such payment of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally to the Notes issued under the Indenture or supplemental resolution prior to or on a parity with the lien on behalf of such Notes until such Notes have been defeased in accordance with the provisions of the Indenture and the Bond Legislation; and, so long as any of the Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Series 1987 B Bonds only may be issued as provided for in Section 7.07 hereof. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of

and security for payment from such revenues and in all other respects, to the Series 1987 A Bonds and the Series 1987 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

Section 7.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1987 B Bonds. No Parity Bonds shall be issued which shall be payable out of the revenues of the System on a parity with the Series 1987 A Bonds, unless the Series 1987 B Bonds are no longer outstanding.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(A) The Bonds then Outstanding;

(B) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(C) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

All Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1987 A Bonds and the Series 1987 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1987 A Bonds or the Series 1987 B Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

B. Notwithstanding the foregoing, or any provision of Section 7.06 to the contrary, additional Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of bonds on a parity with the Bonds.

Section 7.08. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds or of a Note or Notes issued pursuant to this Bond Legislation or the Trustee shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The

Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Consulting Engineers, the Trustee and the Authority, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Bonds or Notes, as the case may be, requesting the same, an annual report containing the following:

A. A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

B. A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the Indenture with respect to said Bonds or Notes, as the case may be, and the status of all said funds and accounts.

C. The amount of any Bonds, Notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds or Notes, as the case may be, and shall file said report with the Trustee and the Authority, or any other original purchaser of the Bonds.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the

System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds; provided that, in the event that an amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts and reserve accounts for bonds prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues.

Section 7.10. Operating Budget and Audit. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Trustee and the Authority and to any Holder of any Bonds or Notes, as the case may be, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Trustee and to any Holder of any Bonds or Notes, as the case may be, or anyone acting for and in behalf of such Holder of any Bonds or Notes, as the case may be.

In addition, the Issuer shall annually cause the records of the System to be audited by an Independent Certified Public Accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement.

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules of the Issuer, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation

of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds or the Notes remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(A) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(B) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$100,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(C) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(D) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

B. The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project.

Section 7.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.16. Completion of Project. The Issuer will complete the Project and operate and maintain the System in good condition.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation or the Indenture, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Trustee, if any, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, and the Indenture, if any, the need for such moneys for the purposes set forth herein and in the Indenture, if any, and the specific restrictions and provisions set forth in this Section 8.01 and in the Indenture.

Except as provided in the Indenture, if any, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Trustee, if any, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Trustee, if any, the Depository Bank, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Section 8.02. Restrictions as to Arbitrage Bonds. The Issuer hereby covenants, and hereby so instructs the Bond Commission, the Depository Bank and the Trustee that they shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986 (or any successor provision) and any regulations thereunder (the "Code") and an Authorized

Officer shall deliver his certificate, based upon this covenant, with regard thereto to the purchaser of the Original Bonds.

Section 8.03. Rebates of Excess Arbitrage Earnings. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt bonds during the calendar year in which the Bonds are to be issued. Therefore, the Issuer believes that it is excepted from the rebate requirements of Section 148(f) of the Code. Notwithstanding the foregoing, if the Issuer is in fact subject to such rebate requirements, the Issuer hereby covenants to rebate to the United States Government the amounts required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the tax-exempt status of the interest on the Bonds.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Notes:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Notes; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes set forth in this Bond Legislation, any supplemental resolution, the Indenture or in the Notes, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Note; or

(C) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

B. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Bonds; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Bond Legislation, any supplemental resolution or in the Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

(C) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note

or Bond, as the case may be, may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Notes or Bonds, as the case may be, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Notes or Bonds, as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Notes or Bonds, or the rights of such Registered Owners, provided however, that no remedy herein stated may be exercised by a Noteholder in a manner which adversely affects any remedy available to the Bondholders, and provided further, that all rights and remedies of the Holders of the Series 1987 B Bonds shall be subject to those of the Holders of the Series 1987 A Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for

Reserve, Sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1987 A Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1987 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1987 A Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1987 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1987 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1987 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1987 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1987 A Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1987 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any

trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.02. Defeasance of Series 1987 B Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1987 B Bonds, the principal due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1987 B Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1987 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1987 B Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1987 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1987 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1987 B Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1987 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.03. Defeasance of Notes. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Notes, the principal of and interest due or to become due thereon, at the times and in the manner set forth in the Indenture, then with respect to the Notes only, this Bond Legislation, the Indenture, if any, and the pledges of Grant Receipts and other moneys and securities pledged thereby, and all covenants, agreements and other obligations of the Issuer to the Holders of the Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. No material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Notes or Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Notes or Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or any Note or Notes or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds or Notes respectively, required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds and Notes, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, the Indenture, if any, the Bonds or the Notes, if any.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Amendments to Maintain Tax Exemption. The Issuer hereby covenants to make any amendment or supplements to this Ordinance and to the Indenture authorized hereby to enable the interest on the Notes or Bonds to be and remain exempt from federal income taxation, and to preserve such tax exemption until the maturity or redemption thereof without further consent of the Holders of the Bonds or the Notes.

Section 11.06. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in The Putnam Democrat, a qualified newspaper of general circulation in the Town of Poca, there being no newspaper published therein, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before Council upon a date certain, not less than 10 days subsequent to the date of the first publication of this Bond Legislation and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office

hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading - February 2, 1987

Passed on Second Reading - February 9, 1987

Passed on Final Reading
Following Public
Hearing - February 23, 1987

Larus D. Casto
Mayor

Veronica Dale Perkins
Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF POCA on this 23rd day of February, 1987.

[SEAL]

Teronica Dale Perkins
Recorder

03/11/87
POCA4-A

"EXHIBIT A"

[Included as Document Nos. 3 and 4 of Bond Transcript]

TOWN OF POCA

Sewer Revenue Bonds,
Series 1987 A and Series 1987 B

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1987 A AND SERIES 1987 B OF THE TOWN OF POCA; AUTHORIZING, APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS

WHEREAS, the city council (the "Governing Body") of the Town of Poca (the "Issuer"), has duly and officially enacted a bond and notes ordinance, effective February 23, 1987 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF POCA AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 A, NOT MORE THAN \$500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 B, AND NOT MORE THAN \$4,500,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES OR BOTH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND

PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING
OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount of not to exceed \$1,500,000, to be issued in two series, the Series 1987 A Bonds to be in an aggregate principal amount of not more than \$1,000,000 (the "Series 1987 A Bonds") and the Series 1987 B Bonds to be in an aggregate principal amount of not more than \$500,000 (the "Series 1987 B Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Series 1987 A Bonds dated February 23, 1987, and a supplemental loan agreement relating to the Series 1987 B Bonds, also dated February 23, 1987 (replacing a prior loan agreement and supplemental loan agreement dated November 12, 1986) (sometimes collectively referred to herein as the "Loan Agreement"), by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with West Virginia Code, 1931, as amended, Chapter 16, Article 13 (the "Act"); and in the Bond Ordinance it is provided that the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the Loan Agreement be entered into and ratified by the Issuer, that the exact principal amounts, the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE TOWN OF POCA:

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued:

(A) The Sewer Revenue Bonds, Series 1987 A, of the Issuer, originally represented by a single Bond, numbered

AR-1, in the principal amount of \$878,743. The Series 1987 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2025, shall bear interest at the rate of 8.38% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1987, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1987 A Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Loan Agreement and incorporated therein by reference.

(B) The Sewer Revenue Bonds, Series 1987 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of \$215,535. The Series 1987 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2025, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1987 B Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Supplemental Loan Agreement and incorporated therein by reference.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 3. The Issuer does hereby approve, accept and ratify the Loan Agreement, copies of which are incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby ratified and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate Kanawha Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and Kanawha Valley Bank, National Association, in substantially the form attached hereto, and

the execution and delivery by the Mayor of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for the Bonds.

Section 6. The Issuer does hereby appoint The National Bank of Commerce of Nitro, Nitro, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. Series 1987 A Bond Proceeds in the amount of \$114,900 shall be deposited in the Series 1987 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1987 A Bond proceeds in the amount of \$-0- and Series 1987 B Bond proceeds in the amount of \$-0- shall be deposited in the Series 1987 A Bonds Reserve Account and the Series 1987 B Bonds Reserve Account, respectively.

Section 9. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about March 12, 1987, to the Authority pursuant to the Loan Agreement.

Section 10. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance in the West Virginia "Consolidated Fund," and therefore the Issuer hereby directs the Depository Bank and the Paying Agent to take such actions as may be necessary to cause such moneys to be invested in the Consolidated Fund.

Section 12. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within

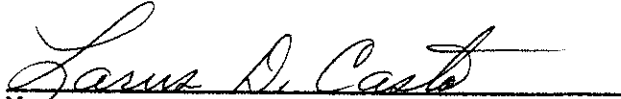
the meaning of the Code. They will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 13. In accordance with Section 148(f)(4)(C) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer covenants that it is a governmental unit with general taxing powers; that the Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer), and that the aggregate face amount of the all tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 1987 will not exceed \$5,000,000, excluding, however, tax-exempt obligations which are not outstanding as of the date of delivery of the Bonds.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 7th day of March, 1987.

TOWN OF POCA



Mayor

03/11/87
POCA5-D

RECEIVED

MAR 11 1987

WATER DEVELOPMENT AUTHORITY

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and the governmental agency designated below (the "Governmental Agency").

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia (the "State") to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act;

WHEREAS, the Governmental Agency constitutes a governmental agency as defined by the Act;

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to construct, operate and improve a water development project, as defined by the Act, and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

WHEREAS, the Governmental Agency intends to construct or is constructing such a water development project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference;

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act and having available sufficient funds therefor, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a general resolution adopted by the Authority on May 22, 1985 (the "General Resolution"), as supplemented, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's water development loan program (the "Program") as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Governmental Agency and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," "governmental agency," "water development project," "wastewater facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.2 "Consulting Engineers" means the consulting engineer designated in the Application and any successor thereto.

1.3 "Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.4 "Local Act" means the official action of the Governmental Agency required by Section 4.1 hereof, authorizing the Local Bonds.

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with a portion of the proceeds of its water development revenue bonds, all in accordance with the provisions of this Loan Agreement.

1.6 "Local Statute" means the specific provisions of the Code of West Virginia, 1931, as amended, pursuant to which the Local Bonds are issued.

1.7 "Operating Expenses" means the reasonable, proper and necessary costs of operation and maintenance of the System, as hereinafter defined, as should normally and regularly be included as such under generally accepted accounting principles.

1.8 "Project" means the water development project hereinabove referred to, to be constructed or being constructed by the Governmental Agency in whole or in part with the net proceeds of the Local Bonds.

1.9 "System" means the water development project owned by the Governmental Agency, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.10 Additional terms and phrases are defined in this Loan Agreement as they are used.

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found, to the extent applicable, that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director), has been approved by the West Virginia Department of Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and of the Local Act, the Governmental Agency has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to any mortgage lien or other security interest as is provided for in the Local Statute.

2.4 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents shall, prior to, at and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the System pursuant to the pertinent provisions of the Act.

2.5 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Governmental Agency agrees that it will permit the Authority and its agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof.

2.7 The Governmental Agency shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract, as security for the faithful performance of such contract.

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as

their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds is outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Governmental Agency shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

2.10 The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Governmental Agency agrees that qualified operating personnel properly certified by the State will be retained to operate the System during the entire term of this Loan Agreement.

2.11 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority to make the Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Local Bonds described in this Article III and in Article IV hereof;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application, and the Authority shall have received a certificate of the Consulting Engineers to such effect;

(d) The Governmental Agency shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, and the Authority shall have received a certificate of the Consulting Engineers to such effect;

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the issuance of the Local Bonds, construction of the Project and imposition of rates and charges and shall have taken any other action required for the imposition of such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

(f) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsection 4.1(b)(ii) hereof, and the Authority shall have received a certificate of the accountants for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority, to such effect; and

(g) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the

financing of water development projects and satisfactory to the Authority, to such effect, such certificate to be in form and substance satisfactory to the Authority, and evidence satisfactory to the Authority of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Governmental Agency and the Governmental Agency shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Governmental Agency by written notice to the Authority, which written notice shall be given not less than five (5) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority and the Governmental Agency. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the right of the Authority to make such loans to other governmental agencies as in the aggregate will permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the water development revenue bonds issued by it. The Governmental Agency specifically recognizes that the Authority will not execute this Loan Agreement unless and until it has available funds sufficient to purchase all the Local Bonds and that, prior to such execution, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

ARTICLE IV

Local Bonds; Security for Loan; Repayment of Loan; Interest on Loan; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as enacted, contain provisions and covenants in substantially the form as follows:

(a) That the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as set forth on Schedule Y attached hereto and incorporated herein by reference. The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by the revenues from the System, as more fully set forth in Schedules X and Y attached hereto;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the reserve account established for the payment of debt service on the Local Bonds (the "Reserve Account") is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in any year (the "Reserve Requirement") and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

(iii) That the Governmental Agency will complete the Project and operate and maintain the System in good condition;

(iv) That the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be

realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by or payable from the revenues of the System prior to the Local Bonds; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System, including those specified by Section 2.8 hereof;

(vii) That the Governmental Agency will not render any free services of the System;

(viii) That any bond owner may, by proper legal action, compel the performance of the duties of the Governmental Agency under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law;

(ix) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, to the extent legally allowable, the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant and shall submit the report of said audit to the Authority, which shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Loan Agreement;

(xii) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto;

(xiv) That the proceeds of the Local Bonds, except for accrued interest and capitalized interest, if any, must be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Governmental Agency and on which the owner of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs); provided that, if the cost of acquisition and construction of the Project includes funded reserves for the Local Bonds, any requisite proceeds shall be credited to the construction fund and then deposited in the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein; and

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Governmental Agency shall not authorize redemption of any Local Bonds by it without the written consent of the Authority and otherwise in compliance with this Loan Agreement.

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Local Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit A.

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to such reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the Loan shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto. Interest payments on the Loan

shall be made by the Governmental Agency on a semiannual basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds until the date of payment thereof, at the rate or rates per annum set forth on Schedule X hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be as determined by the Authority and shall include without limitation Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for the water development revenue bonds. The Governmental Agency hereby specifically authorizes the Authority to exercise the powers granted it by Section 9.06 of the General Resolution.

4.7 As long as the Authority is the owner of any of the Local Bonds outstanding, the Governmental Agency shall not redeem any of such Local Bonds outstanding without the written consent of the Authority, and any such redemption of Local Bonds authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the applicable water development revenue bonds, the redemption premium payable on the applicable water development revenue bonds redeemable as a consequence of such redemption of Local Bonds and the costs and expenses of the Authority in effecting any such redemption, all as further prescribed by Section 9.11 of the General Resolution. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding applicable water development revenue bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE V

Certain Covenants of the Governmental Agency;
Imposition and Collection of User Charges;
Payments To Be Made by
Governmental Agency to the Authority

5.1 The Governmental Agency hereby irrevocably cove-

nants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Governmental Agency hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Loan Agreement.

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under Section 6a of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

ARTICLE VI

Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges with respect to water development projects in the event of default by governmental agencies in the terms and covenants of loan agreements, and the Governmental Agency hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

6.2 At the option of the Authority, the Governmental Agency shall issue and sell to the Authority additional, subordinate bonds to evidence the Governmental Agency's obligation to repay to the Authority any grant received by the Governmental Agency from the Authority in excess of the amount to which the Governmental Agency is entitled pursuant to applicable policies or rules and regulations of the Authority. Also at the option of the Authority, the Governmental Agency may issue and sell to the Authority additional, subordinate bonds for such purposes as may be acceptable to the Authority.

6.3 The Governmental Agency hereby warrants and represents that all information provided to the Authority in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority shall have the right to cancel all or any of its obligations under this Loan Agreement if (a) any representation made to the Authority by the Governmental Agency in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of this Loan Agreement.

6.4 The Governmental Agency hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority for the planning or design of the Project, and such repayment shall be a condition precedent to the Authority's making the Loan.

6.5 The Governmental Agency hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Governmental Agency fails to make any such rebates as required, then the Governmental Agency shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the tax-exempt status of the Local Bonds.

ARTICLE VII

Miscellaneous

7.1 Additional definitions, additional terms and provisions of the Loan and additional covenants and agreements of the Governmental Agency are set forth in Schedule Z attached

hereto and incorporated herein by reference, with the same effect as if contained in the text of this Loan Agreement.

7.2 Schedule X shall be attached to this Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.3 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.4 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

7.5 No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

7.6 This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.7 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Governmental Agency specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.8 This Loan Agreement shall terminate upon the earlier of:

(i) the end of ninety (90) days after the date of execution hereof by the Authority if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

(ii) termination by the Authority pursuant to Section 6.3 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

TOWN OF POCA
[Proper Name of Governmental Agency]

(SEAL)

By Larry D. Cant
Its MAYOR

Attest:

Date: 2-23-87

Teronica Dale Perkins
Its Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By Edgar H. Henry
Director

Attest:

Date: 3-12-87

Daniel B. Gzabosky
Secretary-Treasurer

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We are bond counsel to _____
(the "Governmental Agency"), a _____
_____.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated _____, 19____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated _____, 19__ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of \$_____, issued in the form of one bond registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, beginning _____ 1, 19____, at the respective rate or rates and with principal payable in installments on October 1 in each of the years, all as follows:

<u>Year</u>	<u>Installment</u>	<u>Interest Rate</u>
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The Local Bonds are issued for the purpose of _____ and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the

bond _____ duly enacted by the Governmental Agency on _____ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding special obligation of the Governmental Agency enforceable in accordance with the terms thereof.
2. The Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.
3. The Governmental Agency is a duly organized and presently existing _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.
4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.
5. The Local Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the [net] revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the [net] revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.
6. The Local Bonds are, by statute, exempt _____, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is exempt from federal income taxation.

No opinion is given herein as to the effect upon enforceability of the Local Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

SCHEDULE Y
REVENUES

In accordance with Subsection 4.1(a) of the Loan Agreement, the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as follows:

- (i) to pay Operating Expenses of the System;
- (ii) to the extent not otherwise limited by an outstanding local resolution, indenture or other act or document, as reflected on Schedule X to the Loan Agreement, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds from revenues and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, if the Reserve Account was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the Reserve Requirement, by depositing in the Reserve Account an amount equal to one-twelfth (1/12) of one-tenth (1/10) of the amount necessary to fund the Reserve Account at the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;
- (iii) to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account;
- (iv) to provide debt service on and requisite reserves for any subordinate indebtedness of the Governmental Agency held or owned by the Authority; and
- (v) for other legal purposes of the System, including payment of debt service on other obligations junior, subordinate and inferior to the Local Bonds.

SCHEDULE 2

Additional and Supplemental Definitions

1. "EPA" means the United States Environmental Protection Agency and any successors to the functions thereof.

2. "Local Statute" means Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended.

3. "System" means the works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, owned by the Governmental Agency and under the supervision and control of a sanitary board, and any extensions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

1. The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with, among other State and federal standards, the water quality standards established by the West Virginia Department of Natural Resources and EPA.

2. The Governmental Agency agrees that it will permit the EPA to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof.

3. As a condition precedent to the Authority's making the Loan, the Governmental Agency shall have obtained, among other permits required, permits from the EPA and the West Virginia Department of Natural Resources and approval of the "Part B" supplement to its EPA grant agreement.

4. The Local Act shall contain a covenant substantially as follows:

That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the

services and facilities of the System and, in the event the Governmental Agency owns a water facility (the "Water System"), the Water System to all users of services of the System delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

5. To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for federal financial assistance for pollution abatement in order to maximize the amounts of such federal financial assistance received or to be received for all water development projects in the State.

6. Subject to any prior or parity obligations described in Schedules X and Y attached to the Loan Agreement, the net revenues derived from the operation of the System are pledged to the payment of the principal of and interest on the Local Bonds.

7. The Governmental Agency shall comply with the provisions of the Internal Revenue Code of 1986, as amended. As a condition precedent to the Authority's making the Loan, the Governmental Agency shall deliver to the Authority a certificate representing the following:

- (a) The Governmental Agency expects to enter into a contract within six months of the date thereof for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2-1/2 percent of the estimated total Project cost financed with proceeds from the sale of the Local Bonds or \$100,000;
- (b) Work with respect to the construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within three years of May 22, 1986;
- (c) All of the proceeds from the sale of the Local Bonds which will be used for payment of costs of the Project, together with any investment earnings thereon, will be expended for such purpose by May 1, 1989;

- (d) The Governmental Agency does not expect to sell or otherwise dispose of the Project, in whole or in part, prior to the last maturity date of the Local Bonds; and
- (e) The Governmental Agency will comply with the provisions of the Internal Revenue Code of 1986, as amended, for which the effective date precedes the date of delivery of its Local Bond to the Authority.

RECEIVED

MAR 11 1987

SUPPLEMENTAL LOAN AGREEMENT

WATER DEVELOPMENT AUTHORITY

THIS SUPPLEMENTAL LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and the governmental agency designated below (the "Governmental Agency").

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia (the "State") to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act;

WHEREAS, the Governmental Agency constitutes a governmental agency as defined by the Act;

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to construct, operate and improve a water development project, as defined by the Act, and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds, including supplemental, subordinate revenue bonds, issued by the Governmental Agency;

WHEREAS, the Governmental Agency intends to construct or is constructing such a water development project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference;

WHEREAS, on or prior to the date hereof, the Governmental Agency and the Authority entered a loan agreement with respect to the purchase by the Authority of certain Local Bonds of the Governmental Agency, all as more specifically described in Exhibit A attached hereto and incorporated herein by reference (the "Loan Agreement").

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act, and having available sufficient funds therefor, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of supplemental, subordinate revenue bonds of the Governmental Agency with certain available funds of the Authority (other than the proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a general resolution adopted by the Authority on May 22, 1985, as supplemented), subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's supplemental water development loan program (the "Supplemental Program") as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Governmental Agency and the Authority hereby agree as follows:

ARTICLE I

Definitions; Loan Agreement

1.1 Capitalized terms used and not otherwise defined herein shall have the meanings respectively given them by the Loan Agreement.

1.2 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," "governmental agency," "water development project," "wastewater facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.3 "Local Act" means the official action of the Governmental Agency required by Section 4.1 hereof, authorizing the Supplemental Bonds.

1.4 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, to evidence the Supplemental Loan, as hereinafter defined, and to be purchased by the Authority with certain available funds (other than the proceeds of its water development revenue bonds), the lien of which on the revenues

of the System is junior, subordinate and inferior to that of the Local Bonds, all in accordance with the provisions of this Supplemental Loan Agreement.

1.5 "Supplemental Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Supplemental Bonds pursuant to this Supplemental Loan Agreement.

1.6 Additional terms and phrases are defined in this Supplemental Loan Agreement as they are used.

1.7 This Supplemental Loan Agreement is supplemental to the Loan Agreement, the terms of which are incorporated herein by reference.

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found, to the extent applicable, that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director), has been approved by the West Virginia Department of Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

2.2 Subject to the terms, conditions and provisions of this Supplemental Loan Agreement and of the Local Act, the Governmental Agency has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to any mortgage lien or other security interest as is provided for in the Local Statute.

2.4 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project

facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents shall, prior to, at and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the System pursuant to the pertinent provisions of the Act.

2.5 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project and the administration of the Supplemental Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Governmental Agency agrees that it will permit the Authority and its agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof.

2.7 The Governmental Agency shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract, as security for the faithful performance of such contract.

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or

mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing and maintained so long as any of the Supplemental Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Supplemental Bonds is outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Governmental Agency shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

2.10 The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Governmental Agency agrees that qualified operating personnel properly certified by the State will be retained to operate the System during the entire term of this Supplemental Loan Agreement.

2.11 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

ARTICLE III

Conditions to Supplemental Loan; Issuance of Supplemental Bonds

3.1 The agreement of the Authority to make the Supplemental Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority, of each and all of those certain conditions precedent on or before the delivery date for the Supplemental Bonds, which shall be the date established pursuant to Section 3.4 of the Loan Agreement for delivery of the Local Bonds. Said conditions precedent are as follows:

(a) The Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Supplemental Loan Agreement;

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Supplemental Bonds described in this Article III and in Article IV hereof and shall have delivered to the Authority for purchase the Local Bonds in accordance with the Loan Agreement;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application, and the Authority shall have received a certificate of the Consulting Engineers to such effect;

(d) The Governmental Agency shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, and the Authority shall have received a certificate of the Consulting Engineers to such effect;

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the issuance of the Supplemental Bonds, construction of the Project and imposition of rates and charges and shall have taken any other action required for the imposition of such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

(f) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsection 4.1(b)(ii) hereof, and the Authority shall have received a certificate of the accountants for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority, to such effect; and

(g) The net proceeds of the Supplemental Bonds, together with the net proceeds of the Local Bonds and all other moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of

the Project as set forth in the Application, and the Authority shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of water development projects and satisfactory to the Authority, to such effect, such certificate to be in form and substance satisfactory to the Authority, and evidence satisfactory to the Authority of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Supplemental Loan Agreement, the rules and regulations promulgated by the Authority or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Supplemental Loan to the Governmental Agency and the Governmental Agency shall accept the Supplemental Loan from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make the Supplemental Loan by purchasing the Supplemental Bonds in the principal amount and at the price set forth in Schedule X hereto. The Supplemental Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Supplemental Loan shall be secured and shall be repaid in the manner hereinafter provided in this Supplemental Loan Agreement.

3.4 The Supplemental Loan will be made only in conjunction with the Loan. The Supplemental Bond shall be delivered to the Authority, at the offices of the Authority, simultaneously with the delivery of the Local Bond to the Authority.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the Governmental Agency's fulfilling all of the terms and conditions of this Supplemental Loan Agreement and the Loan Agreement on or prior to the Date of Loan Closing and to the right of the Authority to make such loans to other governmental agencies under the conditions and in the manner described in the Loan Agreement. The Governmental Agency further understands and acknowledges that the Authority's obligation to make the Supplemental Loan is subject to the availability on the Date of Loan Closing of funds legally available therefor.

3.6 Anything in this Loan Agreement notwithstanding, if the Authority is unable to pay the proceeds of the Supplemental Bonds to the Governmental Agency on the Date of Loan Closing due to the time required for processing the purchase order or requisition for such moneys with the State,

the Authority may pay such proceeds as soon as received after the Date of Loan Closing; provided, that the Supplemental Bonds shall not evidence any debt to be repaid to the Authority until the proceeds thereof are received by the Governmental Agency.

ARTICLE IV

Supplemental Bonds; Security for Supplemental Loan;
Repayment of Supplemental Loan; No Interest on
Supplemental Loan; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Supplemental Loan, authorize the issuance of and issue the Supplemental Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as enacted, contain provisions and covenants in substantially the form as follows:

(a) That the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as set forth on Schedule Y attached hereto and incorporated herein by reference. The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

(i) That the Supplemental Bonds shall be secured by the revenues from the System, as more fully set forth in Schedules X and Y attached hereto, subject to the prior and senior security therefrom granted to the Local Bonds;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and the Supplemental Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Local Bonds and on a parity with the Supplemental Bonds or, if the reserve accounts established for the payment of debt service on the Local Bonds (the "Reserve Account") and for the payment of debt service on the Supplemental Bonds (the "Supplemental Reserve Account") are funded (whether by bond proceeds, monthly deposits or otherwise), respectively, at an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in any year (the "Reserve Requirement") or on the Supplemental Bonds in any year (the "Supplemental Reserve Requirement"), as the case may be, and any reserve account for any such prior or

parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and the Supplemental Bonds and any such prior or parity obligations;

(iii) That the Governmental Agency will complete the Project and operate and maintain the System in good condition;

(iv) That the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds and Supplemental Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Supplemental Bonds, except the Local Bonds and bonds on a parity with the Supplemental Bonds, which parity bonds shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Supplemental Bonds and parity bonds theretofore and then being issued and on the Local Bonds and any other obligations secured by or payable from the revenues of the System prior to the Supplemental Bonds; provided, however, that additional parity Local Bonds and additional parity Supplemental Bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System, including those specified by Section 2.8 hereof;

(vii) That the Governmental Agency will not render any free services of the System;

(viii) That any bond owner may, by proper legal action, compel the performance of the duties of the Governmental Agency under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal or interest on the Supplemental Bonds, the right to obtain the

appointment of a receiver to administer the System as provided by law, subject to the prior and senior rights of the owner or owners of the Local Bonds;

(ix) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, to the extent legally allowable, the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant and shall submit the report of said audit to the Authority, which shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Supplemental Loan Agreement;

(xii) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto;

(xiv) That the proceeds of the Supplemental Bonds, except any proceeds deposited in the Reserve Account or the Supplemental Reserve Account, must be deposited in a construction fund on which the owner of the Supplemental Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs); provided, that said construction fund may be the one established for the Local Bonds, which shall have a prior and senior lien thereon, but shall otherwise be kept separate and apart from all other funds of the Governmental Agency; and

(xv) That, as long as the Authority is the owner of any of the Supplemental Bonds, the Governmental Agency shall not authorize redemption of any Supplemental Bonds by it without the written consent of the Authority.

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted in

compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Supplemental Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit B.

4.2 The Supplemental Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to the prior and senior security therefrom for the Local Bonds and to such reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the Supplemental Loan shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto.

4.4 The Supplemental Loan shall not bear interest.

4.5 The Supplemental Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Supplemental Program, which administrative expenses shall be as determined by the Authority and shall include, but not be limited to, legal fees paid by the Authority.

ARTICLE V

Certain Covenants of the Governmental Agency;
Imposition and Collection of User Charges;
Payments To Be Made by
Governmental Agency to the Authority

5.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Supplemental Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Supplemental Loan, it has fixed

and collected, or will fix and collect, the rates, fees and other charges for the use of the System, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds and the Supplemental Bonds shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Governmental Agency hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Supplemental Loan Agreement.

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, the amount of such default shall bear interest at the rate of five percent (5%) per annum, from the date of the default until the date of the payment thereof.

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under Section 6a of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

ARTICLE VI

Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges with respect to water development projects in the event of default by governmental agencies in the terms and covenants of loan agreements, and the Governmental Agency hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Supplemental Loan Agreement.

6.2 The Governmental Agency hereby warrants and represents that all information provided to the Authority in this Supplemental Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time provided, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Supplemental Loan and receiving the Supplemental Bonds, the Authority shall have the right to cancel all or any of its obligations under this Supplemental Loan Agreement if (a) any representation made to the Authority by the Governmental Agency in connection with the Loan or the Supplemental Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Loan Agreement or this Supplemental Loan Agreement.

6.3 The Governmental Agency hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority for the planning or design of the Project, and such repayment shall be a condition precedent to the Authority's making the Supplemental Loan.

ARTICLE VII

Miscellaneous

7.1 Additional definitions, additional terms and provisions of the Supplemental Loan and additional covenants and agreements of the Governmental Agency are set forth in Schedule Z attached hereto and incorporated herein by reference, with the same effect as if contained in the text of this Supplemental Loan Agreement.

7.2 Schedule X shall be attached to this Supplemental Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.3 If any provision of this Supplemental Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Supplemental Loan Agreement, and this Supplemental Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.4 This Supplemental Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Supplemental Loan Agreement.

7.5 No waiver by either party of any term or condition of this Supplemental Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Supplemental Loan Agreement.

7.6 This Supplemental Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Supplemental Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.7 By execution and delivery of this Supplemental Loan Agreement, notwithstanding the date hereof, the Governmental Agency specifically recognizes that it is hereby agreeing to sell its Supplemental Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.8 This Supplemental Loan Agreement shall terminate upon the earlier of:

- (i) termination by the Authority of the Loan Agreement pursuant to Subsections 7.8(i) or (ii) thereof;

- (ii) termination by the Authority pursuant to Section 6.2 hereof; or

- (iii) payment in full of the principal of the Supplemental Loan and of any fees and charges owed by the Governmental Agency to the Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

TOWN OF POLA
[Proper Name of Governmental Agency]

(SEAL)

By Larry D. Casto
Its MAYOR

Attest:

Date: 2-23-87

Leronica Dale Perkins
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By Edmund M. Henry
Director

Attest:

Date: 3-12-87

Daniel B. Gunkash
Secretary-Treasurer

EXHIBIT A

LOAN AGREEMENT

Date:

Principal Amount of Local Bonds:

EXHIBIT B

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We are bond counsel to _____
(the "Governmental Agency"), a _____
_____.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement, dated _____, 19____, including all schedules and exhibits attached thereto (the "Supplemental Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), and (ii) the issue of a series of supplemental, subordinate revenue bonds of the Governmental Agency, dated _____, 19____ (the "Supplemental Bonds"), to be purchased by the Authority in accordance with the provisions of the Supplemental Loan Agreement. The Supplemental Bonds are in the principal amount of \$_____, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years, as follows:

Year

Installment

The Supplemental Loan Agreement is supplemental to a loan agreement dated _____, _____, also between the Governmental Agency and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien and source of and security for payment to the bonds issued pursuant to the Loan Agreement (the "Local Bonds"), which Local Bonds are issued simultaneously herewith.

The Supplemental Bonds are issued, together with the Local Bonds, for the purpose of _____ and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly enacted by the Governmental Agency on _____ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Supplemental Bonds are authorized and issued, and the Supplemental Loan Agreement that has been undertaken. The Supplemental Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Supplemental Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Supplemental Loan Agreement has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding special obligation of the Governmental Agency enforceable in accordance with the terms thereof.

2. The Supplemental Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.

3. The Governmental Agency is a duly organized and presently existing _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Supplemental Loan Agreement and to issue and sell the Supplemental Bonds, all under the Local Statute and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Supplemental Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Supplemental Loan Agreement.

5. The Supplemental Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the [net] revenues of the System referred to in the Local Act and secured by a lien on and pledge of the [net] revenues of said System, all in accordance with the terms of the Supplemental Bonds and the Local Act, and have been duly issued and delivered to the Authority. Said lien and pledge are junior, subordinate and inferior to that created for the Local Bonds [and _____].

6. The Supplemental Bonds are, by statute, exempt _____.

No opinion is given herein as to the effect upon enforceability of the Supplemental Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined executed and authenticated Supplemental Bond numbered SR-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

SCHEDULE Y
REVENUES

In accordance with Subsection 4.1(a) of the Supplemental Loan Agreement, the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as follows:

(i) as prescribed by the Loan Agreement, to pay Operating Expenses of the System;

(ii) as prescribed by the Loan Agreement, to the extent not otherwise limited by an outstanding local resolution, indenture or other act or document, as reflected on Schedule X to the Loan Agreement, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds from revenues and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, if the Reserve Account was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the Reserve Requirement, by depositing in the Reserve Account an amount equal to one-twelfth (1/12) of one-tenth (1/10) of the amount necessary to fund the Reserve Account at the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

(iii) as prescribed by the Loan Agreement, to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account;

(iv) beginning thirteen (13) months prior to the first date of payment of principal of the Supplemental Bonds, to provide debt service on the Supplemental Bonds by depositing in a sinking fund one-twelfth (1/12) of the principal payment next coming due on the Supplemental Bonds and, if the Supplemental Reserve Account was not funded

concurrently with the issuance thereof in an amount equal to the Supplemental Reserve Requirement, by depositing in the Supplemental Reserve Account an amount equal to one-twelfth (1/12) of one-tenth (1/10) of the amount necessary to fund the Supplemental Reserve Account at the Supplemental Reserve Requirement or, if the Supplemental Reserve Account has been so funded (whether by Supplemental Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Supplemental Reserve Account at the Supplemental Reserve Requirement;

(v) to provide debt service on and requisite reserves for any other subordinate indebtedness of the Governmental Agency held or owned by the Authority; and

(vi) for other legal purposes of the System, including payment of debt service on other obligations junior, subordinate and inferior to the Local Bonds.

SCHEDULE 2

Additional and Supplemental Definitions

1. "EPA" means the United States Environmental Protection Agency and any successors to the functions thereof.

2. "Local Statute" means Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended.

3. "System" means the works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, owned by the Governmental Agency and under the supervision and control of a sanitary board, and any extensions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

1. The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with, among other State and federal standards, the water quality standards established by the West Virginia Department of Natural Resources and EPA.

2. The Governmental Agency agrees that it will permit the EPA to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof.

3. As a condition precedent to the Authority's making the Supplemental Loan, the Governmental Agency shall have obtained, among other permits required, permits from the EPA and the West Virginia Department of Natural Resources and approval of the "Part B" supplement to its EPA grant agreement.

4. The Local Act shall contain a covenant substantially as follows:

That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the Governmental

Agency owns a water facility (the "Water System"), the Water System to all users of services of the System delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

5. To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for federal financial assistance for pollution abatement in order to maximize the amounts of such federal financial assistance received or to be received for all water development projects in the State.

6. Subject to any prior or parity obligations described in Schedules X and Y attached to the Supplemental Loan Agreement, and to the prior lien of the Local Bonds, the net revenues derived from the operation of the System are pledged to the payment of the principal of the Supplemental Bonds.



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: January 30, 1987

CASE NO. 86-486-S-CN

TOWN OF POCA, a municipal corporation,
Putnam County.

Application for a certificate of
convenience and necessity to install
an oxidation ditch with associated
appurtenances, collection lines and
lift stations to serve the Town of
Poca and immediate area, Putnam
County.

FINAL ORDER

On August 13, 1986, the Town of Poca, a municipal corporation, Putnam County, filed an application, duly verified, for a certificate of convenience and necessity to install an oxidation ditch with associated appurtenances, collection lines, lift stations, and all other necessary items to serve the Town of Poca and immediate area in Putnam County, with sewerage and sewer disposal services.

By order entered by the Commission on August 14, 1986, the Town of Poca, a municipal corporation, was required to give notice of the filing of said application by publishing a copy of the order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Putnam County, pursuant to the provisions of West Virginia Code §24-2-11. The order granted leave to anyone interested to file written objection to said application, within thirty (30) days after the date of publication of notice. The order further provided that if no protests were received within said thirty-day period the Commission may waive formal hearing and grant the application based on the evidence submitted

and its review thereof. On January 22, 1987, the Applicant filed an affidavit of publication indicating that notice was published as required on September 4, 1986, in The Hurricane Breeze, a weekly newspaper published in Putnam County. No protest to the granting of said application has been received by the Commission.

The Applicant is currently providing sanitary sewer service to approximately 266 customers and is discharging effluent into the Kanawha River with only primary treatment. The Town is currently under orders from the Department of Natural Resources to upgrade its system in order to provide secondary treatment. When the proposed project is placed into service the Applicant will gain 360 new customers for a total of 626 customers.

The project was originally estimated at a total cost of \$5,306,581 to be financed by a grant from the Environmental Protection Agency (EPA) in the amount of \$3,353,470, a Small Cities Block Grant in the amount of \$750,000 and a loan from the West Virginia Water Development Authority (WDA) in the amount of \$1,203,111. Since filing the application the project cost and financing have been revised to reflect a total project cost of \$5,517,901, to be financed by an EPA Grant of \$3,780,610, a Small Cities Block Grant of \$658,529 and a WDA Loan of \$1,078,762.

The plans and specifications for the proposed construction project have been conditionally approved by the West Virginia Department of Natural Resources, as indicated by its letter dated August 25, 1986. On October 8, 1986, the Applicant submitted evidence that the proposed grant funds were committed to the project and that the necessary application materials from the Water Development Authority to apply for loan monies to fund the balance of the project cost have been received. On January 27,

1987, the Applicant submitted copies of the executed "Conditional Notice of Award" and acceptant letters for Contracts No. 1, 2, 3 and 4, for the construction of the proposed sanitary sewer system.

The Application was reviewed by the Commission's various operating divisions and Joint Staff Memoranda was filed herein on January 15, 1987 and January 26, 1987. Staff advised that the Town of Poca Sanitary Board is in sound financial condition, that the proposed construction project is economically feasible and adequately funded, and that the application be approved without formal hearing thereon.

Staff's audit reveals that the rates and charges contained in an ordinance passed by the Town Council on September 8, 1986, will provide a pro forma cash surplus of \$46,269 after servicing debt totalling \$89,947 and meeting cash requirements of \$71,837. The rates and charges contained in the September, 1986 ordinance, generate \$199,066 on a customer base of 626 customers. The cash flow statement comparing per books with pro forma is attached thereto as Appendix A.

FINDINGS OF FACT

1. On August 13, 1986, the Town of Poca, a municipal corporation, filed a duly verified application for a certificate of convenience and necessity to construct an oxidation ditch with associated appurtenances, collection lines, lift stations, and all other necessary items to serve the Town of Poca and the immediate area in Putnam County.
2. The Town of Poca is under an order from the Department of Natural Resources to upgrade its treatment facilities to provide secondary sewer treatment.
3. The total cost of the project is estimated at \$5,517,901.

4. The project will be financed by an EPA Grant of \$3,780,610, a Small Cities Block Grant of \$658,529 and a WDA Loan of \$1,078,762.

5. The Applicant will utilize rates and charges which have been placed into effect by a lawfully enacted sewer ordinance which was passed on second reading on September 22, 1986.

6. These rates and charges have become effective without an appeal to the Commission, pursuant to West Virginia Code §24-2-4b and are now in effect for current users.

7. The Applicant has obtained letters of commitment for the grant funds and is making application for the WDA loan.

8. The proposed project will permit the Town of Poca to meet the discharge requirements of the Department of Natural Resources and will enable it to provide service to 360 new customers.

9. The Applicant has submitted affidavits of publication indicating that the publication requirements of West Virginia Code §24-2-11 have been met and as of the date of this order no written protest to the granting of the application has been received.

CONCLUSIONS OF LAW


The Examiner is of the opinion, finds and concludes that a hearing in this matter is not necessary, good cause having been shown for dispensing therewith; that public convenience and necessity require the proposed improvements to the sanitary sewer system, and that a proper certificate should be issued unto the Applicant, subject to the provisions and conditions hereinafter provided.

ORDER

IT IS, THEREFORE, ORDERED that there be, and there hereby is, issued unto the Applicant, Town of Poca, a municipal corporation, a certificate of convenience and necessity to construct the necessary improvements to its sanitary sewer system, as more particularly described in said application, provided, however, that the total project cost shall not exceed the projected cost and committed funding.

This order is issued pursuant to General Order No. 212, dated December 16, 1982, which order designates the Division of Hearing Examiners as the initial decision making body in the Public Service Commission and authorizes the Public Service Commission Hearing Examiners to issue orders on behalf of the Commission in all proceedings filed pursuant to Chapter 24 of the West Virginia Code, which proceedings are not set for hearing and which orders shall have the full force and effect of Commission orders, without the provision for the filing of exceptions thereto.

Leave is hereby granted to the parties to file a petition for further hearing, reopening, or rehearing pursuant to Rule 19 of the Commission's Rules of Practice and Procedure with the Executive Secretary of the Commission within ten (10) days after the date this order is mailed.


Maynard D. McDonnell
Hearing Examiner

McD:dfs

TOWN OF POCA - SANITARY BOARD
CASE NO. 86-486-S-CN

CASH FLOW STATEMENT

	<u>Per Books</u> (1)	<u>Pro Forma</u> (2)
CASH AVAILABLE:		
Operating Revenues - Per Statement	61,995	199,066
Other Income - Interest Income	<u>8,987</u>	<u>8,987</u>
TOTAL CASH AVAILABLE	70,982	208,053
CASH REQUIREMENTS:		
Operations and Maintenance Expenses	34,063	71,642
Taxes Other Than Federal Income Tax	<u>139</u>	<u>195</u>
TOTAL CASH REQUIREMENTS	<u>34,202</u>	<u>71,837</u>
CASH AVAILABLE FOR DEBT SERVICE	36,780	136,216
Interest & Principal - Bonds - 1964 Issue	7,560	*-----
Interest & Principal - WDA	-----	81,770
Reserve - WDA	<u>-----</u>	<u>8,177</u>
TOTAL DEBT SERVICE	<u>7,560</u>	<u>89,947</u>
SURPLUS	<u>29,220</u>	<u>46,269</u>

*To be escrowed with current funds.



TOWN OF POCA

Sewer Revenue Bonds,
Series 1987 A and Series 1987 B

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, DANIEL B. YONKOSKY, Secretary-Treasurer of West Virginia Water Development Authority, for and on behalf of West Virginia Water Development Authority (the "Authority") and LARUS D. CASTO, Mayor of the Town of Poca (the "Issuer"), hereby certify as follows:

1. On the 12th day of March, 1987, the Authority received the entire original issue of \$1,094,278 in aggregate principal amount of Sewer Revenue Bonds, Series 1987 A and Series 1987 B (collectively, the "Bonds"), issued as a single, fully registered Bond of each Series, numbered AR-1 and BR-1, respectively, both dated March 12, 1987, the Series 1987 A Bond being in the principal amount of \$878,743 and the Series 1987 B Bond being in the principal amount of \$215,535.

2. At the time of such receipt of the Bonds upon original issuance, all of the Bonds had been executed by Larus D. Casto, as Mayor of the Issuer, by his manual signature, and by Veronica Dale Parkins, as Recorder of the Issuer, by her manual signature, and the official seal of the Issuer had been affixed upon the Bonds.


3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the proceeds of the Series 1987 A Bonds in the aggregate amount of \$1,094,278. Proceeds of the Series 1987 B Bonds are expected to be received in approximately 60 days. Upon receipt of the proceeds of the Series 1987 B Bonds the Issuer will deliver to the Authority a receipt in substantially the form attached hereto as Exhibit A.

IN WITNESS WHEREOF, Daniel B. Yonkosky duly signed and delivered this receipt on behalf of WEST VIRGINIA WATER DEVELOPMENT AUTHORITY and the TOWN OF POCA has caused this receipt to be executed by its Mayor, as of this 12th day of March, 1987.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By 
Secretary-Treasurer

TOWN OF POCA

By 
Mayor

03/11/87
POCA3-C

EXHIBIT A

TOWN OF POCA

Sewer Revenue Bonds, Series 1987 B

RECEIPT FOR SERIES 1987 B BOND PROCEEDS

The undersigned Larus D. Casto, Mayor of the Town of Poca (the "Issuer"), hereby certifies that, on the 30th day of April, 1987, the Issuer received and hereby acknowledges receipt from the Authority, as the original purchaser of the captioned Bonds, the proceeds thereof in the amount of \$215,535 (100% of par).

IN WITNESS WHEREOF, the Town of Poca has caused this receipt to be executed by its Mayor, as of this 30th day of April, 1987.

TOWN OF POCA

By

Larus D. Casto
Mayor

03/11/87
POCA3-D

TOWN OF POCA

Sewer Revenue Bonds,
Series 1987 A and Series 1987 B

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Kanawha Valley Bank, National Association
Charleston,
West Virginia

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the Town of Poca Sewer Revenue Bonds, Series 1987 A, in the principal amount of \$878,743 and Bond No. BR-1, constituting the entire original issue of the Town of Poca Sewer Revenue Bonds, Series 1987 B, in the principal amount of \$215,535 both dated March 12, 1987 (collectively, the "Bonds"), executed by the Mayor and Recorder of the Town of Poca (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond and Notes Ordinance and Supplemental Resolution duly enacted and adopted by the Issuer (collectively, the "Local Act");

(2) A copy of the Local Act authorizing the above Bond issue, duly certified by the Recorder of the Issuer;

(3) Executed counterparts of the loan agreement and the supplemental loan agreement, both dated February 23, 1987, by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (collectively, the "Loan Agreement");

(4) A signed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the account of the Issuer of the sum of \$878,743, representing the agreed aggregate purchase price of the Series 1987 A Bonds, there being no accrued interest thereon. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated by an authorized officer, as Bond

Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated this 12th day of March, 1987.

TOWN OF POCA

By

Sam D. Cast

Mayor

03/11/87
POCA3-E

(SPECIMEN SERIES 1987 A)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF POCA
SEWER REVENUE BOND, SERIES 1987 A

No. AR-1.

\$878,743

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF POCA, a municipal corporation of the State of West Virginia in Putnam County of said State, (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of EIGHT HUNDRED SEVENTY-EIGHT THOUSAND, SEVEN HUNDRED FORTY-THREE DOLLARS (\$878,743), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning October 1, 1987. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of Kanawha Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, at any time, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with the Loan Agreement between the Issuer and the Authority, dated February 23, 1987.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewage treatment, collection and transportation facilities of the Issuer (the "Project") (ii) to pay interest on the Bonds of this series (the "Bonds") during the construction of the Project and for approximately 6 months thereafter; and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on February 23, 1987, and March 7, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1987 B, of the Issuer (the "Series 1987 B Bonds"), issued in the aggregate principal amount of \$215,535, which Series 1987 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1987 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1987 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, the Series 1987 B Bonds, and all other obligations secured by or payable from such revenues prior

to or on a parity with the Bonds or the Series 1987 B Bonds, provided however, that so long as there exists in the Series 1987 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in any year, and in the reserve accounts established for the Series 1987 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1987 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, the TOWN OF POCA has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Recorder, and has caused this Bond to be dated March 12, 1987.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: March 12, 1987

KANAWHA VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

In the presence of:

03/11/87
POCA5-I

(SPECIMEN SERIES 1987 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF POCA
SEWER REVENUE BOND, SERIES 1987 B

No. BR-1

\$215,535

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF POCA, a municipal corporation of the State of West Virginia in Putnam County of said State, (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWO HUNDRED FIFTEEN THOUSAND FIVE HUNDRED THIRTY-FIVE DOLLARS (\$215,535), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated February 23, 1987.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewage treatment, collection and transportation facilities of the Issuer (the "Project") and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on February 23, 1987 and March 7, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions

thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1987 A Bonds herein described, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1987 B Bonds Reserve Account"), and unexpended proceeds of the Bonds of this series (the "Bonds"). Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 1987 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest, if any, on the Bonds, the Series 1987 A Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Series 1987 A Bonds or the Bonds, provided however, that so long as there exists in the Series 1987 B Bonds Reserve Account and the reserve account established for the Series 1987 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest which will become due on the Bonds and the Series 1987 A Bonds in any year, and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only

upon the books of Kanawha Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements as set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1987 A Bonds.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1987 A, OF THE ISSUER (THE "SERIES 1987 A BONDS"), ISSUED CONCURRENTLY HERewith AND DESCRIBED IN THE BOND LEGISLATION.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, the TOWN OF POCA has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Recorder, and has caused this Bond to be dated March 12, 1987.

[SEAL]

Larry D. Casto
Mayor

ATTEST:

Chonica Dale Perkins
Recorder

IN WITNESS WHEREOF, the TOWN OF POCA has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Recorder, and has caused this Bond to be dated March 12, 1987.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: March 12, 1987

KANAWHA VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

In the presence of:

03/11/87
POCA5-J



STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

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GORDON H. COPLAND
RANDALL C. LIGHT
RICHARD M. YURKO, JR.
GARY W. NICKERSON
W. RANDOLPH FIFE

March 12, 1987

WRITER'S DIRECT DIAL NUMBER

Town of Poca Sewer Revenue Bonds, Series 1987 A

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Poca (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of \$878,743 Sewer Revenue Bonds, Series 1987 A, dated the date hereof (the "Local Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated February 23, 1987, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority") and the Local Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are originally issued in the form of one bond, registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, beginning October 1, 1987, at the rate of 8.38% per annum, and with principal installments payable on October 1 in each of the years 1989 through 2026, inclusive, all as set forth in "Schedule X," attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), for the purposes of (i) permanently financing a portion of the costs of acquisition and construction of certain

additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project") (ii) paying interest on the Local Bonds during the construction of the Project and for approximately six months thereafter; and (iii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of the Local Statute, the bond ordinance duly enacted by the Governmental Agency on February 23, 1987, as supplemented by a supplemental resolution adopted March 7, 1987 (collectively, the "Local Act"), pursuant to which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing, we are of the opinion as follows:

1. The Issuer is a duly organized and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to construct and acquire the Project, to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the consent of the Authority.

3. The Local Act and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Local Bonds have been duly authorized, issued, executed and delivered by the Issuer to the authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the net revenues of the System referred to in the Local Act and secured by a first lien on and pledge of the net revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act.

5. The interest on the Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into

account in determining adjusted net book income adjusted current earnings for taxable Years ending after December 31, 1989) for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The Local Bonds are, under the Local Statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and the interest on the Local Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holders of the Local Bonds and the enforceability of the Local Bonds and the Local Act may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Local Bond numbered AR-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,


STEPTOE & JOHNSON

STEPTOE & JOHNSON

ATTORNEYS AT LAW

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MARTIN R. SMITH, JR.

OF COUNSEL

ROBERT W. LAWSON, JR.
EDWARD W. EARDLEY
EUGENE G. EASON

March 12, 1987

WRITER'S DIRECT DIAL NUMBER

Town of Poca Sewer Revenue Bonds, Series 1987 B

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Poca (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia of \$215,535 Sewer Revenue Bonds, Series 1987 B, dated the date hereof (the "Supplemental Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a supplemental loan agreement, dated February 23, 1987, including all schedules and exhibits attached thereto (the "Supplemental Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority") and the Supplemental Bonds, which are to be purchased by the Authority in accordance with the provisions of the Supplemental Loan Agreement. The Supplemental Bonds are originally issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years 1989 through 2026, inclusive, all as set forth in "Schedule X," attached to the Supplemental Loan Agreement.

The Supplemental Loan Agreement is supplemental to a loan agreement also dated February 23, 1987, between the Issuer and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien and source of and security for payment to the bonds issued pursuant to the Loan Agreement and designated "Sewer Revenue Bonds, Series 1987 A" (the "Local Bonds"), which Local Bonds are issued simultaneously herewith.

The Supplemental Bonds are issued, together with the Local Bonds, under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), for the purposes of (i) permanently financing a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"), and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of the Local Statute, the bond ordinance duly enacted by the Governmental Agency on February 23, 1987, as supplemented by a supplemental resolution adopted March 7, 1987 (collectively, the "Local Act"), pursuant to which Local Statute and Local Act the Supplemental Bonds are authorized and issued, and the Supplemental Loan Agreement that has been undertaken. The Supplemental Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Supplemental Loan Agreement.

Based upon the foregoing, we are of the opinion as follows:

1. The Issuer is a duly organized and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Supplemental Loan Agreement and to issue and sell the Supplemental Bonds, all under the Local Statute and other applicable provisions of law. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Supplemental Loan Agreement.

2. The Supplemental Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the consent of the Authority.

3. The Local Act and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer.

4. The Supplemental Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the net revenues of the System referred to in the Local Act and secured by a lien on and pledge of the net revenues of said System, junior and subordinate only

to that created for the Local Bonds, all in accordance with the terms of the Supplemental Bonds and the Local Act.

5. The Issuer has reserved the right to issue additional bonds ranking on a parity with the Supplemental Bonds, as provided in the Local Act.

6. The Supplemental Bonds are, under the Local Statute, exempt from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

It is to be understood that the rights of the holders of the Supplemental Bonds and the enforceability of the Supplemental Bonds and the Local Act may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Local Bond numbered BR-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,


STEPTOE & JOHNSON

STEPTOE & JOHNSON

ATTORNEYS AT LAW

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GARY W. NICKERSON
W. RANDOLPH FIFE

March 12, 1987

Town of Poca Sewer Revenue Bonds, Series 1987 A

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We have examined a transcript of proceedings relating to the issuance of \$878,743 aggregate principal amount of Sewer Revenue Bonds, Series 1987 A (the "Local Bonds"), of the Town of Poca (the "Issuer"), and a Certificate as to Arbitrage executed by the Mayor of the Issuer on this date.

Based upon such Certificate as to Arbitrage, we are of the opinion that the facts, estimates and circumstances set forth in the Certificate as to Arbitrage are sufficient to satisfy the requirements of Section 148 of the Internal Revenue Code of 1986 (the "Code") to support the conclusion that the Local Bonds are not "arbitrage bonds" as therein defined. No matters have come to our attention which make unreasonable or incorrect such statements, expectations or representations.

In the Certificate as to Arbitrage, the Issuer represented that (i) the Issuer has general taxing powers to finance operations of or facilities of the nature of the Project; (ii) the Issuer and all subordinate entities reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt bonds during the calendar year 1987, being the calendar year in which the Bonds were issued; and (iii) the Issuer has issued no other tax-exempt bonds during such calendar year. We express no opinion herein as to the taxability of the interest on the Local Bonds in the event of the failure to comply with the other requirements and restrictions of Section 148 of the Code, and any regulations promulgated thereunder.

West Virginia Water Development Authority
Page 2

Accordingly, it is our opinion that, under existing statutes, regulations, rulings and court decisions, the Local Bonds are not "arbitrage bonds" as so defined. It is our further opinion, based upon such Certificate of Arbitrage that proceeds of the Bonds are not subject to the arbitrage rebate requirements set forth in Section 148(f) of the Code.

Very truly yours,


STEPTOE & JOHNSON

03/11/87
POCA3-G

Franklin L. Gritt, Jr.

ATTORNEY AT LAW

3240 WINFIELD ROAD
P.O. BOX 357
WINFIELD, WV 25213
(304) 586-3693
(304) 755-8484

March 12, 1987

Town of Poca
Sewer Revenue Bonds,
Series 1987 A and Series 1987 B

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Steptoe & Johnson
Post Office Box 2190
Clarksburg, West Virginia 26301

Gentlemen:

I am counsel to the Town of Poca, in Putnam County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinions of Steptoe & Johnson, as bond counsel, a loan agreement and supplemental loan agreement, both dated Feb. 23, 1987, by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (collectively, the "Loan Agreement"), the Local Act (as defined therein) and other documents relating to the above-captioned Bonds of the Issuer. Terms used in said opinions, Local Act and Loan Agreement and not otherwise defined herein have the same meanings herein.

I am of the opinion that:

1. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer in accordance with its terms.

2. The members of the counsel of the Issuer have been duly and properly elected, have taken the requisite oaths, and are authorized to act on behalf of the Issuer.

3. The Local Act has been duly enacted and adopted by the Issuer and is in full force and effect.

4. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Loan Agreement, and the carrying out of the terms thereof, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any agreement or other instrument to which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. The Issuer has received all permits, licenses, approvals and authorizations necessary for the issuance of the Bonds, construction of the Project, operation of the System and imposition of rates and charges, including without limitation the receipt of all requisite orders and approvals from the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The respective times for appeal of such rate ordinance and orders and approvals of the Public Service Commission of West Virginia have expired prior to the date hereof without any appeal.

6. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement, construction of the Project, operation of the System or the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,



FRANKLIN L. GRITT, JR.

TOWN OF POCA

Sewer Revenue Bonds,
Series 1987 A and Series 1987 B

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. GRANTS
11. LOAN AGREEMENT
12. RATES
13. SIGNATURES AND DELIVERY
14. BOND PROCEEDS
15. PUBLICATION AND PUBLIC HEARING ON BOND
AND NOTES ORDINANCE
16. PRIVATE BUSINESS USE LIMITATION
17. SPECIMEN BONDS

We, the undersigned MAYOR and the undersigned RECORDER of the Town of Poca in Putnam County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the \$1,094,278 aggregate principal amount of the Town of Poca Sewer Revenue Bonds, Series 1987 A and Series 1987 B (collectively, the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined shall have the same meaning as in the Bond and Notes Ordinance of the Issuer enacted February 23, 1987, and a Supplemental Resolution adopted March 7, 1987 (collectively, the "Local Act").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, construction of the Project, operation of the System, receipt of the Grant Receipts or the Gross Revenues, or in any way contesting or affecting the validity of the Bonds or the Grants or any proceedings of the Issuer taken with respect to the issuance or sale of the

Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, construction of the Project, operation of the System, receipt of the Grant Receipts or such pledge or application of moneys and security or the collection of the Net Revenues or pledge thereof.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals and certificates required by law for construction of the Project, operation of the System and issuance of the Bonds have been obtained and remain in full force and effect, and competitive bids for construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect. Prior to the date of delivery of the Bonds Appalachian, Hart & Milam, Inc., Consulting Engineers, filed for bankruptcy under Chapter 11 of the United States Code. The United States Bankruptcy Court has lifted a stay prohibiting termination of the engineering contract between the Issuer and Appalachian, Hart & Milam, Inc., and the Issuer has terminated such contract and appointed Chapman Technical Group as its new consulting engineer.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval and execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement entered into between the Issuer and the Authority. There are no outstanding debt obligations of the Issuer, or obligations for which full and irrevocable provision for payment has not been made, which are secured by revenues or assets of the System. The Issuer's Sewer Revenue Bonds dated July 1, 1964, have been legally defeased and the Issuer's Sewerage System Design Notes, Series 1985, dated August 1, 1985, and interest accrued thereon have been paid.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended or changed in any way unless modification appears from later documents also listed below:

Charter of the Town of Poca.

Ordinance Establishing Sanitary Board.

Bond and Notes Ordinance.

Supplemental Resolution.

Rate Ordinance.

Affidavit of Publication of Abstract of Bond and Notes Ordinance and Notice of Hearing.

Affidavit of Publication of Rate Ordinance and Notice of Public Hearing.

Minutes on Enactment of Bond and Notes Ordinance and Adoption of Supplemental Resolution.

Loan Agreement.

West Virginia Small Cities Block Grant Agreement.

Public Service Commission Order entered January 30, 1987.

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is the "Town of Poca" and it is a municipal corporation in Putnam County and presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council consisting of the Mayor and 5 councilmembers whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Larus D. Casto - Mayor	July 1, 1985	June 30, 1987
James Fisher - Councilmember	July 1, 1985	June 30, 1987
Patrick Hill - Councilmember	July 1, 1985	June 30, 1987
Gary Miller - Councilmember	October 13, 1986	June 30, 1987
Brady Paxton - Councilmember	July 1, 1985	June 30, 1987
Arnold Stephens - Councilmember	July 1, 1985	June 30, 1987

The duly appointed and acting Recorder is Veronica Dale Parkins. The duly appointed and acting counsel to the Issuer is Franklin L. Gritt, Jr., Esquire, of Nitro, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the construction of the Project and operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary,

by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the construction, acquisition, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including Chapter 6, Article 9A, of the Official West Virginia Code of 1931, as amended, and a quorum of duly elected, qualified and acting members of the Governing Body was present and acting at all times during all such meetings.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Local Act.

10. GRANTS: As of the date hereof, the EPA Grant in the amount of \$3,709,310 and the West Virginia Small Cities Block Grant in the amount of \$658,528.76 are committed and in force and effect.

11. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading.

12. RATES: The Issuer has duly enacted an Ordinance on September 22, 1986, setting rates and charges for the services of the System. Such ordinance is presently in full force and effect, the period for appeal of such ordinance has expired and there has been no appeal thereof.

13. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, all dated March 12, 1987, by his manual signature, and the undersigned Recorder did officially cause the official seal of the Issuer to be imprinted upon each of said Bonds and to be attested by her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

14. BOND PROCEEDS: On the date hereof the Issuer received from the Authority the agreed purchase price of the Series 1987 A Bonds, being \$878,743 (100% of par value), there being no interest accrued thereon. Proceeds of the Series 1987 B Bonds in the amount of \$215,535 are expected to be received in approximately 60 days.

15. PUBLICATION AND PUBLIC HEARING ON BOND AND NOTES ORDINANCE: Upon adoption of the Bond and Notes Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in a newspaper of general circulation in the Town of Poca, there being no newspaper published in the Town, together with a notice to all persons concerned, stating that the Bond and Notes Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 23rd day of February, 1987, at 7:30 p.m., in the Council Chambers of the Town Hall of the Town of Poca and present protests, and stating that a certified copy of the Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Recorder. At such hearing all objections and suggestions were heard by the Governing Body and the Bond and Notes Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

16. PRIVATE BUSINESS USE LIMITATION: The Issuer shall take all actions necessary to assure that (i) not in excess of 10% of the net proceeds of the Bonds is used directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person (excluding, however, use by a state or local governmental unit and use as a general member of the public) ("Private Business Use") if, in

addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (a) in excess of 5% of the net proceeds of the Bonds are used for a Private Business Use, and (b) an amount in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project.

17. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Bonds.

WITNESS our signatures and the official seal of the TOWN OF POCA on this 12th day of March, 1987.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Larry D. Casio

Mayor

Veronica Dale Perkins

Recorder

Franklin L. Smith, Jr.

Counsel to Issuer

03/11/87
POCA5--F

TOWN OF POCA

Sewer Revenue Bonds, Series 1987 A

CERTIFICATE AS TO ARBITRAGE

I, Larus D. Casto, Mayor of the Town of Poca, in Putnam County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$878,743 aggregate principal amount of Sewer Revenue Bonds, Series 1987 A, of the Issuer, dated March 12, 1987 (the "Local Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986 and regulations promulgated thereunder (the "Code"). I am one of the officers of the Issuer charged with the responsibility of issuing the Local Bonds. I am familiar with the facts, circumstances, and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer.

2. This certificate may be relied upon as the certificate of the Issuer.

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on March 12, 1987, the date on which the Local Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the ordinance pursuant to which the Local Bonds are issued, the Issuer has covenanted to make no use of the proceeds of the Local Bonds which would cause the Local Bonds to be "arbitrage bonds" within the meaning of the Code.

6. The Local Bonds were sold on March 12, 1987, to the West Virginia Water Development Authority (the "Authority") for an aggregate purchase price of \$878,743 (100% of par).

7. The Local Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of paying a portion of the costs of acquisition and construction of certain additional sewerage facilities (the "Project"), funding a reserve account, capitalizing interest on the Local Bonds and paying costs of issuance thereof.

8. The Issuer shall, within 30 days following delivery of the Local Bonds, enter into agreements which require the Issuer to expend in excess of \$100,000 on the Project or has already done so. Acquisition, construction and equipping of the Project will proceed with due diligence to completion, and, with the exception of proceeds constituting capitalized interest and proceeds deposited in a reserve account for the Local Bonds, all of the proceeds from the sale of the Local Bonds, together with any investment earnings thereon, will be expended for payment of Costs of the Project on or before May, 1988. Construction of the Project is expected to be completed by April, 1988.

9. The total cost of the Project is estimated at \$5,477,116.76. The amount of Project costs not expected to be reimbursed or paid from grants, tap fees and funds on hand is estimated to be at least \$1,094,278. Except for the proceeds of the Local Bonds, the Series 1987 B Bonds, the Grants, the tap fees, and funds on hand in the amount of \$-0-, no other funds of the Issuer will be available to meet costs of the Project, and no balances are available to meet such costs in any account which may, without legislative or judicial action, be invaded to pay such expenditures without a legislative, judicial or contractual requirement that such account be reimbursed.

10. Pursuant to Article V of the Local Act, the following special funds or accounts have been created:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Bond Construction Trust Fund;
- (4) Series 1987 A Bonds Sinking Fund, and within the Series 1987 A Bonds Sinking Fund the Series 1987 A Bonds Reserve Account; and
- (5) Series 1987 B Bonds Sinking Fund, and within the Series 1987 B Bonds Sinking Fund the Series 1987 B Bonds Reserve Account.

11. Pursuant to Article VI of the Local Act the proceeds of the Local Bonds (and the Series 1987 B Bonds described in the Local Act, which bear no interest) will be deposited as follows:

(1) Local Bonds proceeds in the amount of \$114,900 will be deposited in the Series 1987 A Bonds Sinking Fund to pay interest on the Series 1987 A Bonds for a period of approximately 18 months.

(2) Local Bonds proceeds in the amount of \$-0- will be deposited in the Series 1987 A Bonds Reserve Account and Series 1987 B Bonds proceeds in the amount of \$-0- will be deposited in the Series 1987 B Bonds Reserve Account, which sums are equal to the respective maximum annual debt services on the Local Bonds and Series 1987 B Bonds, and which sums are less than 10% of the several and combined net proceeds thereof.

(3) The balance of the proceeds of the Local Bonds and the Series 1987 B Bonds will be deposited in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project, including costs of issuance of the Local Bonds and related costs.

12. All moneys in the Series 1987 A Bonds Sinking Fund (with the exception of investment earnings thereon) will be held for the payment of the interest to accrue on the Local Bonds on or prior to the maturity thereof. Moneys held in the Series 1987 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Local Bonds and will not be available to meet costs of construction of the Project. All investment earnings on moneys in the Series 1987 A Bonds Sinking Fund and Series 1987 A Bonds Reserve Account will be deposited, not less than once each year in the Revenue Fund, and such amounts will be applied in full, first to the next ensuing interest payment, if any, due on the Series 1987 A Bonds, and then to the next ensuing principal payment due thereon.

13. Except for the Series 1987 A Bonds Sinking Fund, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Local Bonds or which are pledged as collateral for the Local Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Local Bonds, if the Issuer encounters financial difficulties.

14. The Issuer expects that no part of the Project financed by the Local Bonds will be sold or otherwise disposed of prior to the last maturity date of the Local Bonds.

15. With the exception of the amounts deposited in the Series 1987 A Bonds Sinking Fund for payment of interest on the Local Bonds and in the Series 1987 A Bonds Reserve Account, all of the proceeds of the Local Bonds will be expended on the Project within 24 months from the date of issuance thereof.

16. Any money deposited in the Series 1987 A Bonds Sinking Fund for payment of the principal of or interest on the Local Bonds (other than the Series 1987 A Bonds Reserve Account therein) will be spent within a 13-month period beginning on the date of receipt.

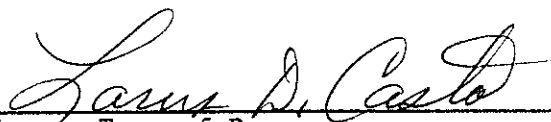
17. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt bonds during the calendar year in which the Local Bonds are to be issued and has issued no other obligations during the current calendar year except for the Series 1986 B Bonds, which bear no interest.

18. The Issuer will take all further actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

19. The original proceeds of the Local Bonds will not exceed the amount necessary for the purposes of the issue.

20. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

IN WITNESS WHEREOF, I have set my hand this 12th day of March, 1987.



Mayor, Town of Poca

03/11/87
POCA3-I



RECEIVED

MAR 11 1987

WATER DEVELOPMENT AUTHORITY

TOWN OF POCA

Sewer Revenue Bonds,
Series 1987 A and Series 1987 B

ENGINEER'S CERTIFICATE

I, Harvey R. Chapman, Registered Professional
Engineer, West Virginia License No. 6850 of
Chapman Technical Group, consulting engineers, of
St. Albans, West Virginia hereby certify as follows:

1. My firm is engineer for the construction and acquisition of certain municipal sewerage facilities (the "Project") for the Town of Poca in Putnam County, West Virginia (the "Issuer"). Certain costs of such construction and acquisition are being financed in part by proceeds of the above-captioned bonds (the "Bonds") and out of certain grant proceeds from the United States Environmental Protection Agency (EPA) and the State of West Virginia (Small Cities Block Grant).

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by Appalachian, Hart & Milam, Inc., and reviewed by my firm, or amendments thereto and as described in the Application submitted to the WDA and approved by all necessary governmental bodies and is situate wholly or chiefly within the boundaries of the Town of Poca; (ii) the Project is adequate for the purpose for which it was designed and all necessary governmental approvals for the construction thereof have been obtained; (iii) my firm has examined and reviewed all plans, specifications, bid documents and construction contracts relating to the Project and all bids for construction of the Project have been received in an amount and are otherwise compatible with the plan of financing described in said Application and my firm will ascertain that all contractors have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy and completeness prior to commencement of construction of the Project; (iv) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States of America necessary for construction of the Project; (v) the construction and funding for the Project should proceed to a successful conclusion within the time schedules proposed; (vi) the useful life of the facilities constituting the Project is not less than 40 years; (vii) the rates and charges for the sewerage system of the Issuer comply with the applicable provisions of the Loan Agreement and Supplemental Loan

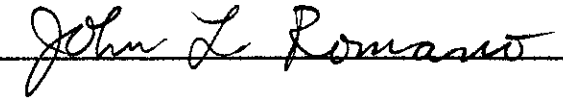
Agreement by and between WDA and the Issuer; and (viii) the net proceeds of the Bonds, together with the proceeds of grants irrevocably committed therefor and other moneys on deposit or to be simultaneously deposited and irrevocably committed therefor, will be sufficient to pay the costs of acquisition and construction of the Project as set forth in the application submitted to WDA on the date of the Loan Agreement.

WITNESS my signature on this 11th day of March,
1987.



Harvey R. Chapman, P.E.

Registration No. 6850

By 

02/24/87

POCA5-B



Kenneth E. Plants
ACCOUNTANT AND AUDITOR
226 SENECA CIRCLE
WINFIELD, WEST VIRGINIA 25213
304/755-7105

March 12, 1987

Town of Poca
Sewer Revenue Bonds
Series 1987 A and Series 1987 B

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

Based upon the rates and charges as set forth in an ordinance of the Town of Poca enacted September 22, 1986, and projected operation and maintenance expenses and anticipated customers usages as furnished to us by Appalachian, Hart & Milam, Inc and reviewed and accepted by Chapman Technical Group, consulting engineers, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system of the Town of Poca, will pay all repair, operation and maintenance expenses and leave a balance each year to equal at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 1987 A and Series 1987 B, to be issued to the West Virginia Water Development Authority and all other obligations secured or payable from the revenues of the System prior to or on a parity with such Bonds.

Very truly yours,
Kenneth E. Plants P.C.
Kenneth E. Plants

KEP/



CERTIFICATE OF INCORPORATION FOR CLASS IV TOWN OR VILLAGE


It appearing to the Court that under the provisions of Article Two, Chapter Eight of the Code of West Virginia at an election held on the 15th day of February, 1958, a majority of the votes cast on the question of incorporation by qualified voters residing in the following boundary, towit:

BEGINNING at the end of the east abutment of the New York Central Railroad bridge south of Poca; thence leaving the railroad bridge and running N 60° 20' East crossing U. S. Route 35 at 120 feet, in all 305 feet to a sycamore; thence N 74° 40' East 844 feet to an oak tree; thence N 54° 50' East 280 feet to the south end of a lake dam; thence N 68° 25' East passing the west right of way line of Secondary Road N. 31 at 1,227 feet, in all 1,235 feet to a point in the road surface of Secondary Road No. 31; thence N 45° 50' East crossing the east right of way line of Secondary Road No. 31 at 22 feet, in all 451 feet to a fence corner; thence with a fence N 37° 30' West 612 feet to a fence corner; thence S 65° 10' West 380 feet with a fence to a point in the fence; thence leaving the fence N 29° 40' W 635 feet to a stake in the field; thence N 10° 30' West 450 feet to a stake in the field; thence N 3° 45' West 680 feet to a stake in the north side of the east end of the back water; thence along the north side of the back water S 80° 15' West 520 feet to an oak tree on the west side of the street leading to the Anderson Addition; thence N 89° 00' West crossing Pocatalico River 440 feet to a point in the centerline of U. S. Route 35 at the north end of Pocatalico River roadway bridge; thence continuing down the Pocatalico River and the north side thereof N 83° 00' West 370 feet to a point in the centerline of the New York Central Railroad at the north end of the railroad bridge crossing Pocatalico River; thence continuing down Pocatalico River and on the north side thereof S 51° 15' West 880 feet to a willow at the low water mark on the north bank at the junction of Pocatalico and Kanawha Rivers; thence crossing the Great Kanawha River S 64° 00' West 800 feet to a large willow at the low water mark on the west bank of the Great Kanawha River; thence up the Great Kanawha River on the west bank and with the meandors thereof and with the low water mark 2,325 feet, more or less, to a large willow at the low water mark and on the west side of the Great Kanawha River; thence crossing the Great Kanawha River S 84° 00' East crossing the low water mark on the east side 800 feet, in all 856 feet to the place of beginning, containing 184.7 Acres, more or less.

were cast in favor of the incorporation of the Town of Poca in the County of Putnam, bounded as herein set forth. And as it appears to the satisfaction of the Court that all of the provisions of Article Two, Chapter Eight of the Code of West Virginia have been complied with by the petitioners for said incorporation, said Town is hereby declared to be a body corporate, duly authorized to exercise

all of the corporate powers conferred upon towns by Articles Three to Fifteen, inclusive, of Chapter Eight of the Code of West Virginia, from and after the date of this certificate.

Dated at Winfield, West Virginia, on the 18th day of February, 1958.


Clerk of the County Court of
Putnam County, West Virginia.

ORDERS, Commissioners of Putnam County, W. Va.

SPECIAL

Session, held

FEBRUARY 13,

1958

WEST VIRGINIA,

At a SPECIAL SESSION of the County Court of Putnam County, West Virginia, regularly called and held for said Court at the Courthouse thereof on Tuesday, the 18th day of February, 1958.

PRESENT: Honorable A. C. Neal, President, and Carl B. Miller and Harold D. Brown, Gentlemen Commissioners thereof.

RE: INCORPORATION OF THE TOWN OF POCA, PUTNAM COUNTY, WEST VIRGINIA.

This 18th day of February, 1958, the County Court of Putnam County, West Virginia, proceeded to count and canvass the votes cast at the election on the question of the incorporation of the proposed Town of Poca, Putnam County, West Virginia, as a Class IV Town, held in said proposed Town of Poca on the 15th day of February, 1958, pursuant to an order made and entered by this Court on the 17th day of January, 1958, and the Court, having completed the count and Canvass of the said election doth hereby ascertain, announce and declare the result of said election to be as follows:

Number of Ballots	194
For Incorporation	121
Against Incorporation	73

It, therefore, appearing to the Court that a majority of the legal votes cast at said election on the question of said incorporation were in favor of said incorporation and the Court being further satisfied that all of the applicable provisions of Article 2, Chapter 8, of the Code of West Virginia, have been fully complied with, it is, therefore, ordered by the Court that the Clerk of this Court do issue a Certificate of Incorporation of said Town of Poca, in form and substance as follows:

It appearing to the Court that under the provisions of Article Two, Chapter Eight of the Code of West Virginia, at an election held on the 15th day of February, 1958, a majority of the votes cast on the question of incorporation by qualified voters residing in the following boundary, to-wit:

BEGINNING at the end of the east abutment of the New York Central Railroad bridge south of Poca; thence leaving the railroad bridge and running N 60° 20' East crossing U. S. Route 35 at 120 feet, in all 305 feet to a sycamore; thence N. 74° 40' East 844 feet to an oak tree; thence N 54° 50' East 280 feet to the south end of a lake dam; thence N 46° 25' East passing the west right of way line of Secondary Road No. 31 at 1,227 feet, in all 1,235 feet to a point in the road surface of Secondary Road No. 31; thence N. 45° 50' East crossing the east right of way line of Secondary Road No. 31 at 22 feet, in all 451 feet to a fence corner; thence with a fence N 37° 30' West 612 feet to a fence corner; thence S 65° 10' West 380 feet with a fence to a point in the fence; thence leaving the fence N 29° 40' W 635 feet to a stake in the field; thence N 13° 30' West 450 feet to a stake in the field; thence N 3° 45' West 680 feet to a stake in the North side of the east end of a back water; thence along the north side of the back water S 80° 15' West 520 feet to an oak tree on the west side of the street leading to the Anderson Addition; thence N 83° 00' West crossing Pocatalico River 410 feet to a point in the centerline of U. S. Route 35 at the north end of Pocatalico River roadway bridge; thence continuing down the Pocatalico River and the North side thereof N 23° 00' West 370 feet to a point in the centerline of the New York Central Railroad at the North end of the railroad bridge crossing Pocatalico River; thence continuing down Pocatalico River and on the north side thereof S 51° 15' West 580 feet to a willow at the low water mark on the north bank at the junction of Pocatalico and Kanawha Rivers; thence crossing the Great Kanawha River S 61° 30' West 800 feet to a large willow at the low water mark on the west bank of the Great Kanawha River.

ORDERS, Commissioners of Putnam County, W. Va.

SPECIAL

Session, held

OFFICIAL

1958

and with the low water mark 2,125 feet, more or less, to a large willow at the low water mark and on the west side of the Great Kanawha River; thence crossing the Great Kanawha River 3 3/4 CO' East crossing the low water mark on the east side 800 feet, in all 3 3/4 feet to the place of beginning, containing 184.7 Acres more or less.

were cast in favor of the incorporation of the Town of Poca in the County of Putnam, bounded as herein set forth. And as it appears to the satisfaction of the Court that all of the provisions of Article Two, Chapter Eight of the Code of West Virginia, have been complied with by the petitioners for said incorporation, said Town is hereby declared to be a body corporate, duly authorized to exercise all of the corporate powers conferred upon towns by Article Three to Fifteen, inclusive, of Chapter Eight of the Code of West Virginia, from and after the date of this certificate.

Dated at Winfield, West Virginia, on this 18th day of February, 1958.

(signed) A. M. Brown, Clerk
County Court Putnam
County, West Virginia.

It is further ordered by the Court that the first election of officers for said Town of Poca be held within said Town on the 12 day of April, 1958, and for the purpose of holding and conducting said first election of officers for said Town the Court doth appoint Carmie W. Whitte, Golden Jones, and William Casto as Commissioners of said election, they being three legal voters residing within the territory of said Town of Poca, and who shall preside and conduct said election as provided by law.

It is further recommended by the Court that all qualified persons desiring to be candidates for the municipal offices of said Town to be voted upon at the said first election, to qualify as such, shall file a certificate of candidacy with this Court, or the Clerk thereof, on or before the 12 day of March, 1958.

It is further ordered that this Court shall furnish and provide all necessary supplies for conducting said election, including voting booths, ballot boxes, ballots, registration books, challenges and other election supplies as provided by law for general elections and deliver the same to one of the commissioners of election on the day before election.

It is further ordered by the Court that the official ballot for the election aforesaid shall be in the following form, including the names of all the qualified persons who have filed their certificates of candidacy with the Clerk of this Court as herein provided, to-wit:

OFFICIAL BALLOT

TOWN OF POCA, FIRST MUNICIPAL ELECTION

April 12, 1958

OFFICE

MAYOR (Vote for One)

☐ (Name of candidate)

☐ (Name of candidate)

☐ (Name of candidate)

RECORDER (Vote for one)

☐ (Name of candidate)

☐ (Name of candidate)

☐ (Name of candidate)

STATE OF WEST VIRGINIA, PUTNAM COUNTY CLERK'S OFFICE

I, Charles E. Farley, Clerk of the Putnam County Commission do, hereby certify that the within is a true and correct copy of the original of the record of the election.

Given under my hand and the seal of said Commission, at Winfield, West Virginia, this 18th day of OCT., 1958.

COPIED ORDER Book 12 At Page 358

CHARLES E. FARLEY, CLERK, PUTNAM COUNTY COMMISSION
By A. S. Raper Deputy



OFFICIAL OATH

STATE OF WEST VIRGINIA

PUTNAM COUNTY SS:

I, LARUS D. CASTO do solemnly
swear that I will support the Constitution of the United
States and the Constitution of the State of West Virginia,
and that I will faithfully discharge the duties of the
office of MAYOR

to the best of my skill and judgment, SO HELP ME GOD.

Larus D. Casto

Subscribed and sworn to before me this 10th
day of June, 19 85.

Veronica Dale Perkins, RECORDER

Town of Poca
Poca, West Virginia

OFFICIAL OATH

STATE OF WEST VIRGINIA

PUTNAM COUNTY SS:

I, Veronica Dale Parkins do solemnly
swear that I will support the Constitution of the United
States and the Constitution of the State of West Virginia,
and that I will faithfully discharge the duties of the
office of Recorder - Treasurer

to the best of my skill and judgment, SO HELP ME GOD.

Veronica Dale Parkins

Subscribed and sworn to before me this 10TH
day of JUNE, 19 85.

Larry D. Castro MAYOR
RECORDER
Town of Poca
Poca, West Virginia

OFFICIAL OATH

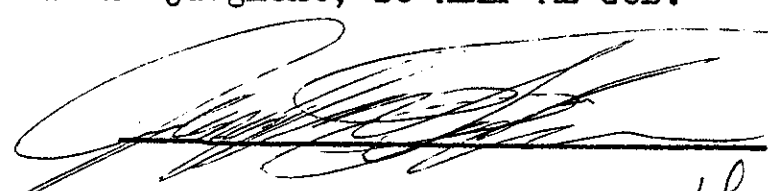
STATE OF WEST VIRGINIA

PUTNAM COUNTY SS:

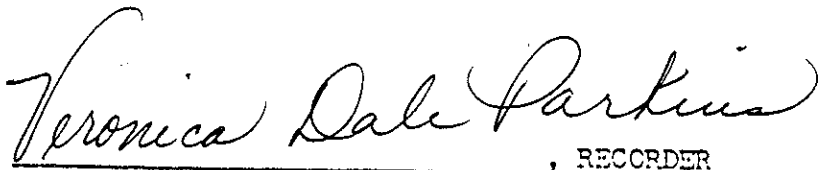
I, JAMES M FISHER do solemnly

swear that I will support the Constitution of the United
States and the Constitution of the State of West Virginia,
and that I will faithfully discharge the duties of the
office of COUNCIL MEMBER

to the best of my skill and judgment, SO HELP ME GOD.


Subscribed and sworn to before me this 10th

day of June, 19 85.


_____, RECORDER

Town of Poca
Poca, West Virginia

OFFICIAL OATH

STATE OF WEST VIRGINIA

PUTNAM COUNTY SS:

I, PATRICK L HILL do solemnly

swear that I will support the Constitution of the United
States and the Constitution of the State of West Virginia,
and that I will faithfully discharge the duties of the
office of Council Person

to the best of my skill and judgment, SO HELP ME GOD.

Patrick L Hill

Subscribed and sworn to before me this 10th

day of June, 19 85.

Theronica Dale Partine, RECORDER

Town of Poca
Poca, West Virginia

STATE OF WEST VIRGINIA

Putnam County

Town of Poca

I, GARY Miller, ..., do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia and the Ordinances and Laws of the Town of Poca, and that I will faithfully discharge the duties of the office of Councilmember Town of Poca to the best of my skill and judgment, so help me God.

Subscribed and Sworn to before me, this 13th day of October 1986.

Veronica Parkins Recorder
Gary Miller Councilman

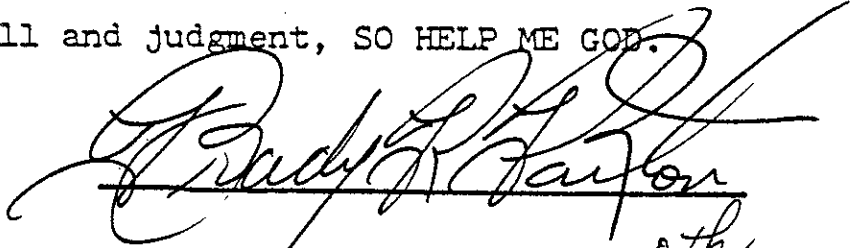
OFFICIAL OATH

STATE OF WEST VIRGINIA

PUTNAM COUNTY SS:

I, BRADY RALPH PAXTON do solemnly
swear that I will support the Constitution of the United
States and the Constitution of the State of West Virginia,
and that I will faithfully discharge the duties of the
office of CITY COUNCILPERSON

to the best of my skill and judgment, SO HELP ME GOD.


Brady R. Paxton

Subscribed and sworn to before me this 10th
day of June, 1985.


Veronica Dale Perkins, RECORDER

Town of Poca
Poca, West Virginia

OFFICIAL OATH

STATE OF WEST VIRGINIA

PUTNAM COUNTY SS:

I, Arnold G. Stephens do solemnly

swear that I will support the Constitution of the United
States and the Constitution of the State of West Virginia,

and that I will faithfully discharge the duties of the

office of Council Person

to the best of my skill and judgment, SO HELP ME GOD.

Arnold G. Stephens

Subscribed and sworn to before me this 10th

day of June, 19 85.

Veronica Dale Perkins, RECORDER

Town of Poca
Poca, West Virginia

State Sinking Fund

348-3971

Poca, West Virginia
July 13, 1964

The Council of the Town of Poca, in Putnam County, West Virginia, met in a regular meeting pursuant to law and to the rules of said Council at the Town Hall, Main Street, Poca, West Virginia, on the 13th day of July, 1964, at 7:30 o'clock P.M. The meeting was called to order by the Mayor, and upon the roll being called, there were present, Orvil L. Westfall, Mayor, Presiding, and the following named Councilmen:

Russell B. Carrier
James H. Caruthers
Charles B. Lloyd
James A. Miller
Douglas C. Spaulding

Also present were Joseph E. Settle, Sanitary Board Consulting Engineer, Carl M. Duttine, Town Attorney, Lewis D. Craddock, Town Recorder, and Richard G. Howes, Agent and representative of Richard G. Howes & Co. of Cincinnati, Ohio.

Carl M. Duttine, Town Attorney, tendered unto Council an Ordinance providing for a Sanitary Board in the Town of Poca, and stated that the Bond Attorneys desired that this Ordinance be adopted as a curative measure against any defects in the former Ordinance. A discussion ensued, and thereupon, Councilman James H. Caruthers introduced and read in full the following Ordinance:

AN ORDINANCE providing for a sanitary board of the Town of Poca, West Virginia.

WHEREAS, preliminary investigations and proceedings have heretofore been taken for the construction of extensions and improvements to the municipal sewage facilities of the Town of Poca, West Virginia, under the provisions of Article 13 of Chapter 16 of the West Virginia Code, and it is provided by said enabling law that a sanitary board shall be created for the custody, supervision, control, administration, operation and maintenance of said system:

NOW, THEREFORE, Be It Ordained by the Council of the Town of Poca, West Virginia, as follows:

Section 1. That there shall be and there is hereby created in and for the Town of Poca, West Virginia, a sanitary board for the

custody, supervision, control, administration, operation and maintenance of the municipal sewage system, all as permitted and provided by Article 13 of Chapter 16 of the West Virginia Code. It shall be known as the Sanitary Board of the Town of Poca. Said Sanitary Board shall be composed of the Mayor of said Town and two persons, one of whom is a registered professional engineer, namely, Joseph E. Settle, for a term of two years, and Othar S. Wooten, for a term of three years, and until their successors have been duly appointed and qualified.

Section 2: That the Mayor of said town shall act as Chairman of said sanitary board, and that upon organization said board shall elect a Vice Chairman and also designate a secretary and treasurer (who may be separate persons or one and the same), and the Council of said town hereby reserves the right and privilege from time to time by ordinance to fix the compensation of the members of said board and the secretary and treasurer thereof, and also to require and fix the amount of bonds which any or all of said officials may be required to furnish.

Section 3: That this ordinance be in full force and effect immediately upon its adoption".

Thereupon, a lengthy discussion ensued, and thereafter, Councilman James H. Caruthers moved that all rules be suspended and that said Ordinance as read be adopted, seconded by Councilman Russell Carrier, and after due consideration of the motion the Mayor put the question, and, upon the roll being called, the following voted:

Aye: Russell B. Carrier, James H. Caruthers, Charles B. Lloyd, James A. Miller and Douglas C. Spaulding.

Nay: None.

Whereupon, the Mayor declared the motion duly carried and said Ordinance duly adopted.

There was presented to this Council a petition by the Sanitary Board requesting enactment of an Ordinance for improvements and extensions to the municipal sewage system of said town and the issuance of revenue bonds in connection therewith under the title of:

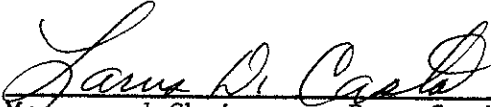
"AN ORDINANCE making provisions for the issuance of Sewer Revenue Bonds of the Town of Poca, West Virginia, for the purpose of defraying the cost, not otherwise provided, of constructing improvements and extensions to the sewage system, setting forth the terms and conditions upon which said bonds and additional bonds ranking on a parity therewith are to be and may be issued and outstanding, and providing for the collection,

PETITION

The Sanitary Board of the Town of Poca, on motion duly passed at its meeting on the 2nd day of February, 1987, respectfully petitions the Council of the Town of Poca to enact an ordinance directing that sewer revenue bonds of the municipality be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code, in an aggregate amount not to exceed \$1,500,000 (and providing for the optional issuance of not more than \$4,500,000 interim construction financing notes) for the purpose of paying a portion of the costs of acquisition and construction of the Town's sewerage system improvements.

All as required by Chapter 16, Article 13 of the West Virginia Code.

SANITARY BOARD OF THE TOWN OF POCA

By 
Mayor and Chairman - Poca Sanitary
Board

03/11/87
POCA3-J

CERTIFICATE OF PUBLICATION

STATE OF WEST VIRGINIA,
PUTNAM COUNTY, To-wit:

I, William O. Robinson, Publisher of THE PUTNAM DEMOCRAT, a weekly newspaper of general circulation, published at Winfield, Putnam County, West Virginia, do certify that the annexed advertisement:

LEGAL NOTICE: TOWN OF POCA

NOTICE OF PUBLIC HEARING ON SEWER REVENUE BONDS AND NOTES ORLNANCE.

was published in THE PUTNAM DEMOCRAT for TWO successive weeks prior to FEB. 12 & 19, 1987

W. O. Robinson, Publisher
Publishers' fee \$66.22 THE PUTNAM DEMOCRAT

Subscribed and sworn to before me this 19th day of February, 1987

Veronica Dale Perkins
Notary Public
My commission expires April 14, 1993

NAM DEMOCRAT - Thursda

Legal Notice

TOWN OF POCA
NOTICE OF PUBLIC
HEARING ON SEWER
REVENUE BOND AND
NOTES ORDNANCE

A public hearing will be held on the following-entitled Ordinance at a special meeting of the Council of the Town of Poca at 7:30 p.m. in the Council chambers at the Poca Town Hall, and at such hearing all objections and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises upon an Ordinance entitled:

ORDNANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF POCA AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,000,000 IN AGGREGATE OF PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 A, NOT MORE THAN \$500,000 IN AGGREGATE OF PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 B, AND NOT MORE THAN \$4,500,000 INTERMEDIATE FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES OR BOTH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was adopted by the Council of the Town of Poca on February 9, 1987.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bond and Note issues contemplated thereby. The proceeds of the Bonds will be used to provide permanent financing of a portion of the costs of acquisition and construction of additions, betterments and improvements for the existing public sewerage facilities of the Town of Poca (the "Project"). The proceeds of the Notes will be used to provide temporary financing of a portion of such costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewerage system of the Town. The Notes are payable solely from certain grant proceeds to be received by the Town and certain other sources described in the Ordinance. No taxes may at any time be levied for the payment of the Bonds of the Notes or the interest thereon.

A certified copy of the above-entitled Ordinance is on file at the office of the Recorder of the Town of Poca for review by interested parties during regular office hours.

Following said public hearing, the Town Council intends to enact said Ordinance upon final reading.

Dated February 12, 1987.

s/s Veronica Dale Perkins
Recorder

212-12

AN ORDINANCE ESTABLISHING AND FIXING RATES,
FEES, CHARGES AND DELAYED PAYMENT PENALTY
CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE
SYSTEM OF THE TOWN OF POCA

THE TOWN COUNCIL OF THE TOWN OF POCA HEREBY ORDAINS: The following schedule of rates, fees, charges and delayed payment penalty charges are hereby fixed and determined as the rates, fees, charges and delayed payment penalty to be charged to customers of the sewerage system of the Town of Poca throughout the territory served.

SECTION 1. SCHEDULE OF RATES

APPLICABILITY

Applicable in entire area served.

AVAILABILITY OF SERVICE

Available for general domestic and commercial sanitary sewer service.

RATES (Based upon the metered amount of water supplied)

First	3,000 gallons used per month	\$5.00 per 1,000 gallons
Next	4,000 gallons used per month	\$4.25 per 1,000 gallons
Next	18,000 gallons used per month	\$3.50 per 1,000 gallons
Over	25,000 gallons used per month	\$2.75 per 1,000 gallons

Each unmetered customer shall be charged a flat rate of \$20 per month.

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage system shall be \$15.00.

Apartment buildings and other multiple-occupancy buildings shall be required to pay not less than a minimum \$20 monthly charge for each unit. Hotels and Motels shall be exempt from this charge.

House trailer or mobile home courts served through a single meter shall be required to pay a minimum charge of \$20 per month multiplied by the number of units in place at the time the meter is read.

DELAYED PAYMENT PENALTY

A 10% penalty shall be added to all charges not paid within 20 days from the date of the billing. This delayed payment is not interest and is only to be collected once for each bill where it is appropriate.

SEWER CONNECTION CHARGE

There shall be charged a connection fee of \$150 for each connection into the sewerage system. This fee is to pay for damage to, inspection of, extension of and rights-of-way for sanitary sewers within the system. During the construction period any customer connecting into the system, prior to construction passing the property, will be permitted to pay a reduced tap fee of \$50.

SECTION 2. EFFECTIVE DATE

The rates, fees, charges and delayed payment penalty charges provided herein shall be effective 45 days after the enactment hereof.

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in Hurricane Breeze & Putnam being the only newspaper published and of general circulation in Putnam County, West Virginia, and being of general circulation in the Town of Poca, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 22nd day of September, 1986, at 7:30 pm.m., which

date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

The above Ordinance has been introduced at a meeting of Council held Sept. 8, 1986.

Passed on First Reading: Sept. 8, 1986

Passed on Second Reading
Following Public Hearing: Sept. 22, 1986

Effective as of: _____

s/s

Teronica Dale Perkins
Recorder

The foregoing Rate Ordinance has been introduced at a meeting of Council held Sept. 8, 1986. Any person interested may appear before Council on the 22nd day of Sept. 8, 1986, at 7:30 p.m., and present protests. Council will then take such action as it shall deem proper in the premises.

Dated Sept. 8, 1986.

s/s

Teronica Dale Perkins
Recorder

09/03/86
POCA3-A

Affidavit of Publication

No. _____

STATE OF WEST VIRGINIA,

Kanawha County, to-wit:

I, Deirdre Coleman

of the

☐ Sunday Gazette-Mail ☒ Charleston Gazette, a daily Democratic newspaper ☒ Daily Mail, a daily Republican newspaper, published in the City of Charleston, Kanawha County, West Virginia, do solemnly

swear that the annexed notice of _____

Charges for Service

was duly published in said paper once a week for 2

successive weeks commencing with the issue of the 13

day of September, 19 86, and ending with the issue of the

20 day of September, 19 86, and was posted

at the front door of the Court House of said Kanawha County, West

Virginia, on the 15 day of September, 19 86.

Dates Published:

9/13/86, 9/20/86

Subscribed and sworn to before me this 22 day of Sept., 19 86

Deirdre Coleman
Notary Public of Kanawha County, West Virginia

My Commission expires March 11, 1991

Printer's Fee \$ 306.28

ACCT-7

AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES, CHARGES AND DELAYED PAYMENT PENALTY CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE TOWN OF POCAHONSA.

THE TOWN COUNCIL OF THE TOWN OF POCAHONSA HEREBY ORDAINS: The following schedule of rates, fees, charges and delayed payment penalty charges are hereby fixed and determined as the rates, fees, charges and delayed payment penalty to be charged to customers of the sewerage system of the Town of Pocahonasa throughout the territory served.

SECTION 1. SCHEDULE OF RATES:

APPLICABILITY: This Ordinance shall be applicable to entire area served.

AVAILABILITY OF SERVICE

Available for general domestic and commercial sanitary sewer service.

RATES (Based upon the metered amount of water supplied):
First 3,000 gallons used per month \$5.00 per 1,000 gallons
Next 4,000 gallons used per month \$4.25 per 1,000 gallons
Next 12,000 gallons used per month \$3.50 per 1,000 gallons
Over 25,000 gallons used per month \$2.75 per 1,000 gallons

Each unmetered customer shall be charged a flat rate of \$20 per month.

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage system shall be \$15.00.

Apartment buildings and other multiple-occupancy buildings shall be required to pay not less than a minimum \$20 monthly charge for each unit. Hotels and Motels shall be exempt from this charge.

House-trailer or mobile home courts served through a single meter shall be required to pay a minimum charge of \$20 per month multiplied by the number of units in place at the time the meter is read.

DELAYED PAYMENT PENALTY

A 10% penalty shall be added to all charges not paid within 20 days from the date of the billing. This delayed payment is not interest and is only to be collected once for each bill where it is appropriate.

SEWER CONNECTION CHARGE

There shall be charged a connection fee of \$150 for each connection into the sewerage system. This fee is to pay for damage to, inspection of, extension of and rights-of-way for sanitary sewers within the system. During the construction period, any customer connecting into the system, prior to construction passing the property, will be permitted to pay a reduced tap fee of \$50.

SECTION 2. EFFECTIVE DATE

The rates, fees, charges and delayed payment penalty charges provided herein shall be effective 45 days after the enactment hereof.

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication. In Chas. Daily Mail & Gazette being the only newspaper published and of general circulation in Putnam County, West Virginia, and being of general circulation in the Town of Pocahonasa, and notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 22nd day of September, 1986, at 7:30 p.m., which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

The above Ordinance has been introduced at a meeting of Council held Sept. 8, 1986.

Passed on First Reading: Sept. 8, 1986

Passed on Second Reading:
Following Public Hearing:

Effective as of:

s/s Veronica Dale Parkins, Recorder

The foregoing Rate Ordinance has been introduced at a meeting of Council held Sept. 8, 1986. Any person interested may appear before Council on the 22nd day of Sept. 8, 1986, at 7:30 p.m., and present protests. Council will then take such action as it shall deem proper in the premises.

Dated Sept. 8, 1986.

s/s Veronica Dale Parkins, Recorder

9/03/86

OCA3-A

(1407)

Meeting adjourned by Paxton & Fisher, Motion Carried.
Respectfully submitted,

POCA TOWN COUNCIL

Larus D. Casto
LARUS D. CASTO, MAYOR

Veronica Dale Parkins
VERONICA DALE PARKINS, RECORDER

M I N U T E S

SPECIAL COUNCIL MEETING

POCA TOWN COUNCIL

FEBRUARY 2, 1987

Special Meeting of the Poca Town Council was brought to order by Mayor Casto on February 2, 1987 for the purpose of Bond Counsel Procedures for the Sewer Project.

Roll Call: Fisher, Miller, Stephens PRESENT, Hill & Paxton ABSENT.

Guests: Sanitary Board Members, Gibeaut & Martin. John Morgan AHM and John Romano and Frank Gritt.

Mayor summarized the Sanitary Board's recommendations to Council regarding Bond Counsel Ordinance.

Fisher read Ordinance for 1st Reading. Fisher motioned that the Bond Ordinance No. 87-2 be accepted on 1st Reading for Bond Counseling Draft, Stephens seconded, Motion Carried. Next Reading to be Regular Meeting date of 2-9-87 and Public Hearing to be held 2-23-87 Regular Meeting date

Meeting adjourned by Stephens & Fisher. Motion Carried.

Respectfully submitted,

POCA TOWN COUNCIL

Larus D. Casto
LARUS D. CASTO, MAYOR

Veronica Dale Parkins
VERONICA DALE PARKINS, RECORDER

M I N U T E S O F T H E
POCA TOWN COUNCIL MEETING
FEBRUARY 9, 1987

appr. 2/23/87

The regularly scheduled meeting of the Poca Town Council was brought to order by Mayor Casto, at the Poca Townhall on February 9, 1987.

Roll Call: Fisher, Hill, Paxton, Stephens PRESENT. Miller ABSENT.

Guests: Arron Paxton.

Minutes of previous meetings 1-26-87 and 2-2-87 were presented in written form and approved by Motions from Hill and seconded by Fisher, Carried.

COMITTEE REPORTS

PUBLIC SERVICES - Hill reported that the Town Truck tailgate was damaged recently during snow removal procedures.

PARK - Hill reported no meetings recently. Spaulding, Withrow, Parkins, Hawley are board members. Recorder had sent all councilmembers a copy.

PLANNING & DEVELOPEMENT - Recorder had sent Cole, Lions Club President, a copy of the catalog and prices of the christmas decorations that had been requested, as they may be interested in a public service project.

PUBLIC SAFETY - Fisher reported that a meeting had been held and the following reccomendations were submitted:

Police Chief's hours due to only one person on schedule now -- Chief to have no set hours due to serving warrants and record keeping procedures and weekend schedule -- mostly evening hours will be scheduled.

Purchase Order System discussed due to problems in past - Chief agreed to stick to rules set forth. Personal bills already purchased will be paid if copy of bills produced.

Drycleaning of Uniforms discussed - Allowed to remain.

Street Lights discussed - It was decided to eliminate 14 street lights due to some not being necessary for sight any longer or that too much light in some areas or that someone had vacated premises. 79 lights are in contract until 1988, but funds in budget could be helped by reducing a portion now.

Emergency Services Personel discussed - Electric space heater found to be left on while on trips, and not allowed in building.

Radios are becoming obselete due to speed indicators not being allowed in court if not kept up to date. Rotating becons are in disrepair also. State Contract to be checked into for these purchases.

\$300 worth of vehicle decals that were reportely authorized back in previous Council for Police Chief's vehicle had not been completed as yet due to order having to be reordered through another company. Bills have not been presented to Recorder as yet and have not been installed as yet due to vehicle being planned to be painted in future. Committee desired this due to other vehicles being similar to Poca's.

SAFETY Con't. - Hill felt Council should be kept aware of procedures and asked that Council be given a schedule of Police Chief's hours or an accounting of them so --if questions come up, it can be documented. Mayor advised Councilmembers to call Police Chief's residence if unable to reach him at 911 number, also to call the Mayor. Split schedule to be designated for Chief due to no set schedule as Court dates and weekends hours and bookwork

Hill also reported his displeasure of seeing Police Chief's son cleaning the police vehicle on Chief's property instead of the Maintenance Crew doing the work as previously instituted by Council at the Townhall. Police Chief saw no problem with it, but agreed to abide by rules in future. Hill felt if rules were set by Council, they should be followed as close as possible. Mayor advised Council that he felt the Chief's hours were not set by Council, instead by Committee. Weekly accounting by Police Chief to be retroactive to 2-1-87 and reported to Councilmembers.

Street Light Committee to go out and check which lights will be designated to be eliminated.

BUILDING MAINTENANCE - A & S Bldrs. to be contacted again by Paxton. Paxton reported that Robert Davis had complained about the cost of the sewer fee that will be instituted when the Sewer Project goes through, due to not wanting to pay for the other subdivisions and surrounding areas of Poca because of high payments already.

SEWER PROJECT - Mayor advised Council that the AHM Company had in fact filed for Bankruptcy on 2-2-87. Mayor had met with Sanitary Board members and legal advisers and former workers of AHM, Morgan and Warner and RIC today and was advised that Morgan and Warner want to form own company with a couple other people and would like to handle the rest of the project. Warner is planning to resign from AHM and Morgan has already been laid off but willing to go on with extra work to keep this project moving ahead. Poca does not owe the company anything but Poca is - considered an asset to AHM. Legal advisers do not know at this point if we are allowed to go with another firm or not. After 30 days Chapter 11 Receivorship can go into effect. Recommendations are that we put out a proposal to at least (5) engineering firms to bid on project, but does not have to have publicized information in newspapers involved. We can go ahead and sign contracts on 3-9-87 according to DNR so check can be received and to close with WDA so on site contractors can get underway as we have just cause for terminating contract with AHM. Mayor feels at this point that we cannot trust Hart any longer and that we should terminate the contract. Gritt has not filed condemnation notices on the Plant Site as yet. \$24,000 will be the price and land will be Poca's. Mayford Witt has been asked and agreed to be our inspector and can be paid with WDA funding. As of 3-9-87 \$1.2 Million Dollars will be issued by Vince Collins and then Gary Cottrill will issue \$3.2 Million Dollars. \$750,000 Draw Down basis. All funds will generate 12% or more interest in Consolidated Pool.

Sewer Bond Revenue Discussed. Fisher motioned that the Sewer Revenue Bond Ordinance be read for 2nd Reading by Title only, Paxton seconded, Motion Carried. Fisher read Ordinance.

Paxton motioned that Sewer Revenue Bond Ordinance be accepted on 2nd Reading Stephens seconded, Motion Carried.

Mayor advised Council that letter from Steptoe & Johnson depicting guide-

lines for Ordinance on Sewer and announced that Publication of Abstract of Ordinance will be published in newspaper on February 10th and 17th 1987 and then Public Hearing and final reading of Ordinance and adoption of Supplemental Resolution will be held on February 23, 1987 at the regular meeting of Poca Town Council at 7:30 p.m.

Mayor asked Recorder for summation on bills on utilities so as to draw accounting for Emergency Services on possibly getting help on utilities

Hill asked for information regarding Boat Dock. Paxton reported he had talked to Johnry Corey regarding Boat Dock and that he was interested in putting in boat dock. Hill reported that he had contacted Oshel Craigo over the weekend in regard to Boat Dock at Raymond City as an individual and explained to Craigo what the Town had ran into in past and asked for Craigo's help.

FINANCE - Recorder reported that monies had come and several bills had been paid and some was chosen to be held back due to not wanting to get in same situation as previously reported. Council felt this was best. Gritt billing had not been paid and Recorder was advised to pay half as soon as possible. Quite sizable sum necessary on books to handle salaries. Police Judge still behind. Racey was paid his back pay and brought up to date when terminated. Exterminators were terminated and Janitor also. Rental Uniforms were not terminated as yet. Letters were sent to the individuals of terminations as temporary measure. Mayor reported to Council that the Welfare Dept. had sent another worker and Recorder reported that one works 7 days and another 8 days. Very good workers and Council commended Cochran for his service to Town.

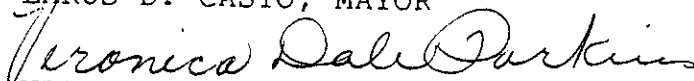
Police Chief reported to Recorder that 72 degrees is kept in locked box at the Fire Department at all times. Council questioned Emergency Service Contract with Town. No Contract with Town.

Meeting adjourned by Paxton & Hill. Carried.

Respectfully submitted,

POCA TOWN COUNCIL


LARUS D. CASTO, MAYOR


VERONICA DALE PARKINS, RECORDER

M I N U T E S O F

THE POCA TOWN COUNCIL MEETING

FEBRUARY 23, 1987

The regularly scheduled meeting of the Poca Town Council was brought to order by Mayor, Larus Casto, on February 23, 1986 at the Townhall.

Roll Call: Fisher & Paxton PRESENT: Hill, Miller Stephens ABSENT.

Guests: Vince Collins of Steptoe & Johnson, John Romano of RIC, Lee Enderley of Steptoe Johnson, Martin & Spears, Gibeaut of SB, Bill Parkins & Aaron & Jamie Miller, Visitors.

Mayor announced that a quorum was not present for meeting to convene. Recess was taken to allow for Public Meeting of the Bond Ordinance Guidelines. This was set up for guidelines on Bond Ordinance to satisfy Public interest for Bond Counseling for the Sanitary Sewer Project.

P U B L I C M E E T I N G

The Public Meeting was held in conjunction with the Bond Ordinance.

Mayor called for any interest or opposing of the Bond Counseling Ordinance.

There being none, the Mayor called for adjournment of Public Meeting.

Meeting was adjourned!

RECONVENED TOWN COUNCIL MEETING

FEBRUARY 23, 1987

The recessed meeting of the Poca Town Council was brought to order by Mayor Casto at the Poca Townhall on February 23, 1987.

Roll Call: Fisher, Miller, Paxton, PRESENT, Hill & Stephens ABSENT.

Minutes of previous meeting was presented in written form and approved by Motion from Miller & Fisher, Motion Carried.

Collins on hand to discuss Bond Counseling and to declare the guidelines had been met on all matters concerning the Sewer Project. Collins on hand also for the 3rd and final reading of Ordinance for Bond Counseling. Lengthy discussion ensued on Sewer Project and all its guidelines.

Mayor announced to Council that the Sanitary Board had gotten word of Appalachain, Hart, Milam filing for Bankruptcy Petition. Sanitary

Board recommends to terminate the current engineers of AHM to Council and certain guidelines will have to be followed in order to keep project on the move. Mayor reported that all the people he has contact with has advised him that this is the time to do this type thing if it has to come to this under the circumstances on project. Several factors has prompted this measure.

Collins advised that a Special Meeting would need to be set for at least 10 day period for consultation purposes before closing date of 3-9-87 for WDA. Also several things needing done in order to close WDA. EPA Part "B" Amendment on Grant approval and Certification of CPA on Supplemental Resolution needs attention. Collins reported that problem exists with the present engineers and he advised a letter of condition be sent to about 6 companies (Engineering) to carry out measures of securing other firms for engineering this project. March 2, 1987 was set by the Sanitary Board to go over letters of conditions, Time set for 6:30 p.m. March 4, 1987 at 7:00 p.m. set for chosen engineering prospects to be interviewed by Sanitary Board.

Sanitary Board Attorney had letter of Sanitary Board recommending to Council that Phase 111 Contract with AHM be terminated due to Bankruptcy procedures. Fisher motioned that the Sanitary board proposal of terminating the Engineering Contract on Phase 111 of the Town of Poca Sewer Project, seconded by Miller, Motion Carried. Collins recommended that Termination letter be delivered so as to give 10/^{day}notice to engineers. with a certified return receipt request. Mayor read letter from Town of Poca to AHM of termination.

Collins advised that the Public Hearing had been held earlier and no one appeared against or for an public interest. 3rd Reading of Bond Ordinance was read for 3rd Reading by Miller to Council. Fisher motioned to accept the Bond Ordinance on the 3rd Reading by Title only, Miller seconded, Motion Carried. Collins announced that all 3 requirements had been met by Council for Project. Collins requested that Supplemental Loan Agreement be handled at Special Meeting, and that copies be made and signed before closing and sent to WDA.

Special Meeting set for Friday, February 6, 1987 at 7:00 p.m. for the purpose of Selecting Engineers for the Town of Poca Sanitary Sewer Project and Adoption of Supplemental Resolution Authorizing 1987 Sewer Revenue Bonds. This will satisfy the requirements of a 10 day period for consultation. This will be a joint meeting with the Sanitary Board at the Poca Townhall. All Council to be notified.

WDA Amended by Engineers (Schedule "A") before closing. Miller wants Assurance Bond from Engineers in the future.

COMMITTEE REPORTS

PUBLIC SERVICES - Mayor reported that he had received letter of request of funds from the Poca Fire Department. Mayor advised "Hold" until funds was available due to severe budget problems at this time. Paxton advised Council that he had contacted Scarberry, Fire Chief, regarding the utilities on building. Thermostat reported to be set on 65 degrees and was upset due to the fact that the Town had bought too many vehicles and given too many raises so as to get in this type situation. Heat reported to be going out of ceiling due to tiles missing due to getting wet when it rains. Scarberry advised some councilmembers that

Fire Department could always go back up the road and contact Union Boiler Company and McDavid about a Fire Department.

Recorder reported several things needed to be purchased such as: Snow Blade in bad shape and flat tire on truck with no spare as yet from Harvey Shreve Company, and patching material and gravel for Craigo Lane and etc., Recorder advised that funds being kept on hand and freeze on expenditures still in effect. Only items to be purchased are ones that can't be put off.

Paxton reported that he and Recorder are still trying to contact A & S Buildings Systems to correct problems on building.

PUBLIC SAFETY - Fisher reported that he and Polcie Chief visited the Fire Dept. after meeting and found electric heater on and cord hot and no one in building. Heater was turned off. Warning had already been issued in past. 65 degrees was on thermostat but reported to be not just right.

Recorder reported that bottles and raw eggs had been thrown on parking lot this past week in front of building.

FINANCE - Miller feels that Budget is not going to be solvent at end of fiscal year if more measures are not taken soon. He had found out why the professionals had declared themselves not collectable to Town. In past, the legal people had worded Code so as to protect themselves and others. 7-1-87 the B & O Tax Ordinance will have to be rewritten in order to collect due to Legislative changes. He had contacted St. Albans and they are willing to send all copies of correspondence to us if we want. Miller had contacted C & P regarding B & O tax collections and said Town can collect outside city limits in tax district. Pinball machines in business does not apply to Town unless it has been established as Amusement Business only. Recorder advised that Budget Meetings will have to be set up in March to lay levy. Also Finance Committee needs to meet regarding current budget.

Recorder advised Council that Election Workers need to be selected for upcoming Election. Recorder given permission to select previous workers for poll workers in the 1987 Election to be held June 9, 1987, by Motion from Paxton & Miller, Motion caried.

OLD BUSINESS

CODE - Recorder advised to contact Drane Company regarding Code.

Fisher inquired if Witt had ever given drainage information for Muggins Avenue. Council advised that no funds at this time to proceed.

Recorder advised Council that Police Chief had inquired of the W.Va. Dept. of Employment Security about him collecting funds in case he was laid off and was told that he was ineligible due to Town not being required to report on Police Chiefs if he was appointed. Recorder advised Council that she had reported him just as it was done before she came on Council. A Request for an opinion has been sought from the authorities on this by Recorder and Police chief.

Mayor advised Police chief that his reports to Crime Dept. were late again. Chief reported that they had been sent already.

Recorder advised that between 3-7-87 and 3-28-87 a Special Budget Meeting would be scheduled so as to lay levy for fiscal year 1987-88.

Meeting adjourned by Paxton and Miller Motion, Carried.

Respectfully submitted,

POCA TOWN COUNCIL



LARUS D. CASTO, MAYOR



VERONICA DALE PARKINS, RECORDER

SPECIAL MEETING

March 7, 1987

Sanitary Board:

Larus Casto
Tom Martin
Dana Gibeaut
Frank Gritt, lawyer
Barbara Spears, secretary

Town Council:

Gary Miller
Arnold Stephens
Pat Hill
James Fisher
Dale Parkins
Absent:
Brady Paxton

Guests:

John Romano, R.I.C.
Fran McCoy, lawyer
Lu Ann Jividen, recorder
John Hart, A.H.M.
John R. Hart, A.H.M.
Carol Casto A.H.M.
Larry Crites, police
James Scarberry, fire dept.

Mayor Larus Casto called to order the special combined meeting of The Poca Sanitary Board and The Poca Town Council which was held at the Poca Fire Department meeting room on Saturday, March 7, 1987. The purpose of the meeting was the selection of Engineers for the Town of Poca Sanitary Sewer Project and adoption of Supplemental Resolution Authorizing 1987 sewer revenue bonds.

Frank Gritt said he would like to lay some ground work so we will have some frame work in which to work. He said a letter dated February 23, 1987, in which he had notified John Hart, President of Appalachian, Hart, Milam, on behalf of the Poca Sanitary Board of the Town of Poca, their intention to terminate the Phase 111 Component of the Phase 11 - 111 Contract with the Engineers. A letter dated March 3, 1987, from Appalachian, Hart, Milam, by its President, John Hart, said they acknowledged receipt of letter dated February 23 saying they received it February 25, 1987. They requested a consultation with Sanitary Board and Town Council pursuant to the regulations of Environmental Protection Agency. Mr. Gritt said he and Fran McCoy had met on an informal basis with Carrol Casto, lawyer, of AHM in their Dunbar offices yesterday, Mr. Carrol Casto interrupted and said he was not counsel, but an employee of AHM and that Mr. Norman Rood was counsel for AHM, to establish a date for consultation.

We were unable to do that, so today notice was served to consult this evening since this evening was also a special meeting called joint meeting with Sanitary Board and Town Council. That's why we're here and that's the procedure which has been followed and why we're here. He then invited Mr. Hart or whomever is going to speak for your firm to respond.

Mr. Hart said he had not received any notice today. He asked if a notice was served today. Mr. Gritt said his information was that the original notice was left with an associate of his at

the offices in Dunbar at 1:00 and had notified Mr. Casto by telephone at 12:30 and had attempted to contact Mr. Norman Rood.

Mr. Carrol Casto, an attorney of Point Pleasant, asked for a copy of the minutes of the meeting. He said he was an employee of AHM. He said he was an administrative assistant to Mr. Hart. I have acted as counsel for Mr. Hart, but since there had been the filing of Chapter 11, the counsel is Mr. Norman Rood.

Mr. Gritt said the records of bankruptcy filing indicate Norman Rood is the attorney of record on the bankruptcy. He said Mr. Carrol Casto is on retainer for AHM on other matters.

Mr. Carrol Casto asked who served the notice of meeting, dated today, March 7, 1987. Mr. Gritt said it was served by Mr. Spears who is the husband of Barbara Spears, secretary of Sanitary Board. It was in an envelope addressed to Mr. Hart.

Mr. Carrol Casto said that he was informed that Mr. Hart said he had not received the letter, but he had made arrangements for Mr. Hart to be here on basis of meeting last night. He asked to see a notice of special meeting.

Mr. Gritt told him the code of the Town complies with the laws of the State of West Virginia for the calling of special meetings is that be served on members of council unless they appear which is a waiver and the Code requires it be posted on the front door of the Town Hall which is where it is.

Mr. Carrol Casto asked when it was posted. Mr. Gritt said it was posted three days ago. Mrs. Dale Parkins said a change of date was made. Mr. Carrol casto wanted to know what the stated purpose of the meeting. Mr. Gritt said the stated purpose was to make a decision on selecting an engineering firm and adopting a supplemental bond Resolution for the Sewer Project. Mr. Carrol Casto wanted to know if anything was said about consultation with this firm in the call.

Mr. Gritt replied, no, but in response to that consultation is required by EPA regulations. It does not have to be at a formally scheduled public body meeting. Mr. Carrol Casto said he was just wanting to establish what the purposes were.

Mr. John Hart said he understood there was a time element involved in the selling of bonds. They would like to continue being the engineers and proceed with the project. He said he had employees to do the work and start the work. The difficulty involved with them was they had filed for Chapter 11, but they have the ability and cash flow to continue with this work.

He said Mr. Gritt wanted some assurance of certain things and asked him to go over them and discuss them. Mr. Gritt said in the meeting yesterday there were primarily three items discussed:

1. The engineers being willing to supply to the Town a detailed financial statement each month as an assurance of financial ability to perform and having an accountant of our choice review that information at a cost to the engineering firm.

2. Having an inspector of the Town's choice in place to do the actual inspection work on the project. Also to be the engineers expense.

3. Get an individual guarantee of Mr. Hart on the contract that the Town has with AM in which he is the sole owner.

Mr. Hart said he would agree and would like to open the discussion up for questions.

Mr. Larus Casto said anyone having the consultation period was to be requested by Mr. Hart and set up by the Town and he had not heard about any meeting.

Mr. Hart asked Mr. Gritt to go into the procedure requested by letters.

Mr. Gritt said as he had stated earlier he had received a copy of a letter dated March 3 from Mr. Hart saying he had acknowledged receipt of our letter of intent to terminate which was received February 25. Our letter was mailed returned receipt requested. The engineering firm through its president, did accept our invitation to consult. Mr. Carrol Casto and myself had talked once or twice this past week concerning a date, but it was complicated by the fact that Mr. Hart was going to be out of town. We decided we could all get together at your office yesterday afternoon. We spent about 2 1/2 hours discussing these matters.

Mr. Carrol Casto said he thought we had come to a very good conclusion. The way we understood it, the Town had some questions, we disagreed with the statement that we were unable to proceed. We are able to proceed with the contract. We have the personnel with the contract. We have the personnel to do it, and the cash flow. We spent a lot of time talking with Ms. McCoy and Mr. Gritt. We thought we had answered the questions to Mr. Gritt's satisfaction. Maybe we didn't.

Mr. Gritt said the 3 items we went into was my concern. I think consultation should be used if there is any other concerns the Town has and you can satisfy. Mr. Carrol Casto replied that they would be willing to answer any concerns.

Mr. Gary Miller wanted to know if individual guarantee is a line of credit.

Mr. Hart stated that he is an engineer registered in the State of West Virginia. He also stated that the contract states that like if cash flow is not there even the Town can take over. I do have personal assets not involved in this bankruptcy. As a matter of fact, all other engineering firms would face the same thing. Our assets exceed our liabilities.

Mr. Carrol Casto said the plan of bankruptcy is to pay 100 percent on the dollar. Mr. Miller wanted to know if Mr. Hart was willing to give a personal line of credit of \$100,000. Mr. Hart didn't know if he could do that. It would cost money. He said he could set of line of credit wih banks.

Mr. Larus Casto said we're in good faith to set up a consultation tonight. He said we are 18 months behind. We've had an extension on the contracts and on our loan at the bank. We have to move on wih his project.

Mr. Tom Martin said he had concerns that they would not be able to finish the job and someone would have to come in and finish the job. If we're going to make a change, now is the time to do it. You've lost your project engineer.

Mr. Hart said design work is in our office and the notice to proceed next Thursday and the transition period of new engineers tobecome familiar with the project will cause problems.

Mr. Miller said he believes the ones who have been working on the job would know more. He wanted to know if he had those men.

Mr. Hart said Dan Warner had left him 3 weeks ago to start a new firm. Mr. Miller wanted to know how many men he had on payroll at the present. Mr. Hart said 32. Mr. Miller wanted to know how many of them were familiar with the project. Mr. Hart stated five of them.

Mr. Gritt asked for a breakdown of the employees. Mr. Hart stated the following:

- Technical people---5
- Professional Engineers---3
- Tech people in the process lab---11 (JHM lab)
- Inspectors--5
- Drafting people--balance of employees.

Mr. John Hart, Jr., stated a list of the projects going on at the present time as being: Putnam Union, Matewan, Danville, Mt. Hope, Gauley River (finished), West Hamlin--water and sewer extension, Meadow Bridge, and Mt. Zion. Mr. Martin wanted to know if they are staffed to handle this project and continue all of their other jobs.

Mr. John Hart, Jr. said yes, that some are finishing. Mr. Gibeaut asked how many on this job. Mr. Hart stated 5 before the end of it.

Mr. Gritt asked how many employees were lost when he filed for Chapter 11. Mr. Hart said he did some lay-offs and 3 quit-- Bob Haynes, John Morgan, and Dan Warner left to go to other firms.

Mr. Miller said he didn't think changing engineers would be more problems than you taking over at this point. Your people have to gain the knowledge from those prints.

Mr. Hart went over the progress of how things are designed. Mr. John Hart, Jr., stated that some of the design was sub-contracted to S&S Engineers and they are available to us.

Mr. Miller said S&S would be available to anyone who has the contract wouldn't they?

Mr. Larus Casto went over the history of the project in the last couple of years. No work had been done for 5 months at one point.

Mr. Gritt asked Mr. Hart if Dan Warner, Bob Haynes, John Morgan had left the firm before he filed Chapter 11 or had they left as a result of the filing. Mr. Hart said Mr. Haynes had a contract with him, but he asked to stay on till this project and Danville design were finished. The Chapter 11 was filed January 31. Mr. Warner gave him 2 days notice after Chapter 11 was filed.

Mayor Casto said we need to wind this meeting down, and he then introduced Fran McCoy who has been retained by Frank Gritt and the Sanitary Board to assist in this project.

Ms. McCoy asked Mr. Hart who is the professional engineer that he anticipated as being in charge of the contract from now and in the future. He stated John R. Hart.

Ms. McCoy asked him what degree of familiarity he had with the plans. He stated that he had reviewed the plan and is familiar with the same.

Ms. McCoy asked Mr. Hart how much time he had spent reviewing the plans. He stated he had spent a couple of days that the plans were similar to other plans he had designed.

Ms. McCoy asked Mr. Hart to confirm that he had met with Mayor Casto on the 22nd day of February. Mr. Hart stated that he did not recall the exact date, but he confirmed that they had met. Ms. McCoy asked who else was present. Mr. Hart stated that his son, John Richard Hart, James Lamb, and David Arter were also present.

Ms. McCoy inquired of Mr. Hart if he had met with Mayor Casto prior to this meeting. He stated that he had not.

Ms. McCoy asked how long had Mr. Hart's firm had a contract with the Town. He stated that he believed since 1979. It was signed by Mayor Bill Pring and then the contract was revised and both Mayor Casto and Bill Pring signed it.

Ms. McCoy asked Mr. Hart relative to the meeting with Mayor Casto on February 22 or 23, if he left the meeting with an understanding that the Town had concerns about his continued performance on the contract. Mr. Hart stated that he felt the same.

McCoy asked him what he felt were the Town's concerns. He stated that he felt they were the one's expressed tonight.

McCoy asked Hart what efforts he had made in the intervening two weeks to address the Town's concerns. He stated that at the meeting he had presented an organizational chart and introduced them to the people who would be involved in the project. We have also performed professional services in reviewing contractors letters and getting the project ready to go.

Ms. McCoy asked Mr. Hart if ^{he} was aware of the fact that EPA regulations prohibit upon receipt of a suspension letter that any further work be done a project. Mr. Hart stated that he was certainly aware of that, but since the suspension letter we have not done billable time, but in the interst in seeing the project move forward, we have answered any questions from the contractors.

Ms. McCoy asked during what time period did you familiarize yourself with the plans for the next stage of this project. Mr. Hart stated that he reviewed them before it went out for bid which was 90 to 120 days ago. He reviewed them at this time.

McCoy asked him if had reviewed them since that time. He stated that they are in the office and that he had reviewed them at his camp the night before.

Mr. Carrol Casto said our counsel, Mr. Rood, is not here.

Mr. Carrol Casto said he was an employee of AHM and he was not acting as counsel. We came here tonight prepared for an informal meeting and not a formal presentation. He wanted it on the record.

Ms. McCoy stated, for the record according to documents filed in the US Bankruptcy Court for the Southern District of West Virginia in Chapter 11 for this corporation, Carrol Casto is being listed as retained counsel for the corporation and he receives a monthly retainer fee as does his son who practices law with him. They have a law office in Point Pleasant. Mr. Rood is counsel for the debtor handling the bankruptcy aspect. Mr. Carrol Casto has been counsel for the debtor a number of years and was counsel for the debtor prior to the filing of Chapter 11 on February 2, 1987.

Mr. Carrol Casto stated that Ms. McCoy was partially true. He said that he had been an employee of the company not only in a legal stand point but that he had also been working in sales for Mr. Hart sine last April. He stated that he had been connected as an administrative assistant to Mr. Hart. When it comes to this particular thing I am not counsel since the filing of the bankruptcy. I have no right to be counsel.

Mr. Larus Casto stated that he felt we have expressed our point of view and your point of view. I think this has been a consultation and if something else has to be done with it, we can proceed Monday night with it which is our regular meeting night.

Mr. Hart stated that he would like to continue to do the work for the Town and that he thanked the Town for the opportunity to consult with them.

Mr. Larus Casto said, "I'm sorry it had to come down to this and I'm sorry we've never met before." He said maybe if we had met two years ago, it wouldn't have come to this. Our Sanitary Board is very interested in this project. Sorry you had to file for bankruptcy. We appreciate your coming.

Mr. Larus Casto stated--We have a supplemental resolution that we would like to read by title only. A motion was made by Gary Miller that supplemental resolution sewer bonds series 1987 A and 1987 B be read by title only. A second was made by Larry Hill. All in favor. A reading of title by Gary Miller as follows:

TOWN OF POCA
Sewer Revenue Bonds,
Series 1987 A and Series 1987 B

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1987 A AND SERIES 1987 B OF THE TOWN OF POCA; AUTHORIZING, APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS

Mr. Larus Casto asked if he had a motion that this supplemental resolution be passed. A motion was made by Pat Hill that this supplemental resolution be passed. A second was by Arnold Stephens.

Mr. Larus Casto asked if there were any questions. Since no questions, all in favor say aye. All members (5) stated aye. None opposed. Mr. Romano said the original copy will stay with the Town.

Mr. Larus Casto called the order of the Sanitary Board for the purpose of consultation and about hiring or terminating an engineering firm.

A motion was made by Dana Gibeaut to recommend to Town Council that we terminate the present engineering firm of Appalachian, Hart & Milam. It was seconded by Tom Martin. All in favor. It was asked if there were any other recommendations.

A Motion was made by Dana Gibeaut that the Poca Sanitary Board recommend to Town Council that we employ the Chapman Technical Group as our engineering firm. It was seconded by Tom Martin. All in favor.

Mayor Casto said as council having combined meeting with the sanitary board having heard these recommendations, I would like to have votes to take action one way or the other at this time.


A motion was made by Gary Miller that council accept the recommendations of the termination of AHM as recommended by the Sanitary Board. Seconded by Pat Hill. No questions. All in favor. All opposed--none.


A motion was made by Gary Miller that council approve the recommendation from the Sanitary Board of the hiring of Chapman Technical Group. Seconded by Jim Fisher. No questions. All in favor. Motion carried and passed.

Mayor Larus Casto adjourned the meeting.

Respectfully submitted,,

POCA TOWN COUNCIL


LARUS D. CASTO, MAYOR


VERONICA DALE PARKINS, RECORDER

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

TELECOPIER (304) 622-2676

CHARLESTON OFFICE

715 CHARLESTON NATIONAL PLAZA

P. O. BOX 1588

CHARLESTON, W. VA. 25326

(304) 342-2191

May 12, 1987

CHARLESTON

CHARLES W. YEAGER
CARL F. STUCKY, JR.
OTIS L. O'CONNOR
WAYNE A. SINCLAIR
JAMES R. WATSON
DANIEL R. SCHUDA
SPRAGUE W. HAZARD
HERSCHEL H. ROSE, III
CHRISTOPHER P. BASTIEN
STEVEN P. MCGOWAN
MARTIN R. SMITH, JR.

OF COUNSEL

ROBERT W. LAWSON, JR.
EDWARD W. EARDLEY
EUGENE G. EASON

WRITER'S DIRECT DIAL NUMBER

CLARKSBURG

RALPH BOHANNON
ERNEST C. SWIGER
HERBERT G. UNDERWOOD
JACKSON L. ANDERSON
ROBERT G. STEELE
JAMES M. WILSON
PATRICK D. DEEM
ROBERT M. STEPTOE, JR.
ANNE R. WILLIAMS
JAMES D. GRAY
VINCENT A. COLLINS
JAMES A. RUSSELL
FRANK E. SIMMERMAN, JR.
WILLIAM T. BELCHER
MICHAEL L. BRAY
DAVID C. CLOVIS
J. GREG GOODYKOONTZ
IRENE M. KEELEY
EVANS L. KING, JR.
WALTER L. WILLIAMS
SUSAN S. BREWER
RONALD H. HANLAN
C. DAVID MORRISON
HARRY P. WADDELL
CLEMENT D. CARTER, III
W. HENRY LAWRENCE IV
WILLIAM E. GALEOTA
GORDON H. COPLAND
RANDALL C. LIGHT
RICHARD M. YURKO, JR.
GARY W. NICKERSON
W. RANDOLPH FIFE

Town of Poca
Sewer Revenue Bonds, Series 1987

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Philadelphia, Pennsylvania 19255

Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G and a file copy thereof with regard to the above-captioned bond issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

Very truly yours,

Vincent A. Collins

Vincent A. Collins

Enclosure

05/12/87
TNP01-N

Form **8038-G**
(December 1986)

Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Bond Issues

► Under Section 149(e)

(Use Form 8038-GC if issue price is under \$100,000.)

OMB No. 1545-0720
Expires 12-31-89

Part I Reporting Authority

Check box if Amended Return ► ☐

1 Issuer's name
TOWN OF POCA

2 Issuer's employer identification number
55-0479345

3 Number and street
P.O. Box 138

4 Report number
G198 7 - 1

5 City or town, state, and ZIP code
Poca West Virginia 25159

6 Date of issue
, 1987

Part II Type of Issue (check box(es) that applies)

7 Check box if bonds are tax or other revenue anticipation bonds ► ☐

8 Check box if bonds are in the form of a lease or installment sale ► ☐

9 ☐ Education

10 ☐ Health and hospital

11 ☐ Transportation

12 ☐ Public safety

13 ☒ Environment (including sewage bonds) Sewer Revenue Bonds, Series 1987 A

14 ☐ Housing

15 ☐ Utilities

16 ☐ Other. Describe (see instructions) ►

Issue Price
\$ 878,743

Part III Description of Bonds

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
17 Final maturity	2026	8.38 %	\$878,743	\$878,743			
18 Entire issue			\$878,743	\$878,743	40 years	8.38%	8.38%

Part IV Uses of Original Proceeds of Issue (including underwriters' discount) (Level Amortized Payments)

19 Proceeds used for accrued interest	19 -0-
20 Proceeds used for bond issuance costs (including underwriters' discount)	20 \$12,000
21 Proceeds used for credit enhancement	21 -0-
22 Proceeds allocated to reasonably required reserve or replacement fund	22 -0-
23 Proceeds used to refund prior issues	23 -0-
24 Nonrefunding proceeds of the issue (subtract lines 20, 21, 22, and 23 from line 18, column (c))	24 \$866,743

Part V Description of Refunded Bonds (complete this part only for refunding bonds)

25 Enter the remaining weighted average maturity of the bonds to be refunded ► years

26 Enter the last date on which the refunded bonds will be called ►

27 Enter the date(s) the refunded bonds were issued ►

Part VI Miscellaneous

28 Enter the amount (if any) of the state volume cap allocated to this issue ► -0-

29 Arbitrage rebate:

a Check box if the small governmental unit exception to the arbitrage rebate requirement applies ☒

b Check box if the 6-month temporary investment exception to the arbitrage rebate requirement is expected to apply ☐

c Check box if you expect to earn and rebate arbitrage profits to the U.S. ☐

30 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(ii) ►

31 Pooled financings:

a Check box if any of the proceeds of this issue are to be used to make loans to other governmental units ► ☐ and enter the amount ►

b Check box if this issue is a loan made from the proceeds of another tax-exempt issue ► ☒ and enter the name of the issuer ► West Virginia Water Developmt. Auth. and the date of the issue ► May 1, 1986

Please
Sign
Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

James H. Castle
Signature of officer

3-12-87
Date

Mayor
Title

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Form **8038-G** (12-86)

Form **8038-G**
(December 1986)

Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Bond Issues

Under Section 149(e)

(Use Form 8038-GC if issue price is under \$100,000.)

OMB No. 1545-0720

Expires 12-31-89

Part I Reporting Authority

Check box if Amended Return ☐

1 Issuer's name TOWN OF POCA	2 Issuer's employer identification number 55-0479345
3 Number and street P.O. Box 138	4 Report number G198 7 - 1
5 City or town, state, and ZIP code Poca West Virginia 25159	6 Date of issue , 1987

Part II Type of Issue (check box(es) that applies)

7 Check box if bonds are tax or other revenue anticipation bonds <input type="checkbox"/>	Issue Price \$ 878,743
8 Check box if bonds are in the form of a lease or installment sale <input type="checkbox"/>	
9 <input type="checkbox"/> Education	
10 <input type="checkbox"/> Health and hospital	
11 <input type="checkbox"/> Transportation	
12 <input type="checkbox"/> Public safety	
13 <input checked="" type="checkbox"/> Environment (including sewage bonds) Sewer Revenue Bonds, Series 1987 A	
14 <input type="checkbox"/> Housing	
15 <input type="checkbox"/> Utilities	
16 <input type="checkbox"/> Other. Describe (see instructions) ▶	

Part III Description of Bonds

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
17 Final maturity	2026	8.38 %	\$878,743	\$878,743			
18 Entire issue			\$878,743	\$878,743	40 years	8.38%	8.38%

Part IV Uses of Original Proceeds of Issue (including underwriters' discount) (Level Amortized Payments)

19 Proceeds used for accrued interest	19	-0-
20 Proceeds used for bond issuance costs (including underwriters' discount)	20	\$12,000
21 Proceeds used for credit enhancement	21	-0-
22 Proceeds allocated to reasonably required reserve or replacement fund	22	-0-
23 Proceeds used to refund prior issues	23	-0-
24 Nonrefunding proceeds of the issue (subtract lines 20, 21, 22, and 23 from line 18, column (c))	24	\$866,743

Part V Description of Refunded Bonds (complete this part only for refunding bonds)

25 Enter the remaining weighted average maturity of the bonds to be refunded	years
26 Enter the last date on which the refunded bonds will be called	
27 Enter the date(s) the refunded bonds were issued	

Part VI Miscellaneous

28 Enter the amount (if any) of the state volume cap allocated to this issue	-0-
29 Arbitrage rebate: a Check box if the small governmental unit exception to the arbitrage rebate requirement applies <input checked="" type="checkbox"/> b Check box if the 6-month temporary investment exception to the arbitrage rebate requirement is expected to apply <input type="checkbox"/> c Check box if you expect to earn and rebate arbitrage profits to the U.S. <input type="checkbox"/>	
30 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(ii)	
31 Pooled financings: a Check box if any of the proceeds of this issue are to be used to make loans to other governmental units <input type="checkbox"/> and enter the amount <input type="checkbox"/> b Check box if this issue is a loan made from the proceeds of another tax-exempt issue <input checked="" type="checkbox"/> and enter the name of the issuer <input type="checkbox"/> West Virginia Water Developmt. Auth. and the date of the issue <input type="checkbox"/> May 1, 1986	

Please
Sign
Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Samuel D. Cantel
Signature of officer

3-12-87
Date

Mayor
Title

26

U.S. ENVIRONMENTAL PROTECTION AGENCY
EPA ASSISTANCE / ELEMENTAL AMENDMENT
PART I - ASSISTANCE NOTIFICATION INFORMATION

C-540299-02-0

Three - C

DATE OF AWARD
SEP 26 1984

4. MAILING DATE
OCT 02 1984

5. AGREEMENT TYPE		6. PAYMENT METHOD	
Cooperative Agreement		<input type="checkbox"/> Advance	<input checked="" type="checkbox"/> Reimbursement
Grant Agreement	X	Send Payment Request To:	
Assistance Amendment		Grants Management Section	
		7. TYPE OF ACTION Continuation	

8. RECIPIENT	9. PAYEE	
	Town of Poca City Hall Poca, West Virginia 25159	

10. RECIPIENT TYPE	City
--------------------	------

11. PROJECT MANAGER AND TELEPHONE NO. Larus D. Casto, Mayor (304) 755-5482	12. CONSULTANT (WWT Construction Grants Only) BCM/Milam Engineering, Incorporated 1400 Ohio Avenue Dunbar, West Virginia 25064 (304) 766-6224
--	---

13. ISSUING OFFICE (City/State) Philadelphia, Pennsylvania Construction Grants Branch	14. EPA PROJECT/STATE OFFICER AND TELEPHONE NO. R. Fenton Roudabush, Chief Virginia - West Virginia Section (215) 597-9131
---	---

15. EPA CONGRESSIONAL LIAISON & TEL. NO. Patricia Gaskins (202)382-5184	16. STATE APPL ID (Clearinghouse)	17. FIELD OF SCIENCE N/A	18. PROJECT STEP (WWT CG Only) II/III
--	-----------------------------------	-----------------------------	--

19. STATUTORY AUTHORITY Clean Water Act, Title II	20. REGULATORY AUTHORITY 40 CFR, Parts 30 & 35	21. STEP 2 + 3 & STEP 3 (WWT Construction Only)
		a. Treatment Level 3
		b. Project Type NEW
		c. Treatment Process F
		d. Sludge Disposal 5

22. PROJECT TITLE AND DESCRIPTION
Design and construction of 0.325 MDG oxidation ditch treatment plant, 24,150 LF gravity sewer, 4 lift stations and other appurtenances. The eligible project includes allowable associated costs as defined in 40 CFR 35.2250, up to the amounts shown in Part II of the Assistance Agreement.

23. PROJECT LOCATION (Areas Impacted by Project)			
City/Place Poca	County Putnam	State WV	Congressional District 3rd
24. ASSISTANCE PROGRAM (CFDA Program No. & Title) 66.418	25. PROJECT PERIOD 10/84 - 10/88	26. BUDGET PERIOD N/A	
27. COMMUNITY POPULATION (WWT CG Only) 1,885	28. TOTAL BUDGET PERIOD COST N/A	29. TOTAL PROJECT PERIOD COST \$4,471,300	

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
30. EPA Amount This Action		3,353,470	
31. EPA In-Kind Amount			
32. Unexpended Prior Year Balance			
33. Other Federal Funds			
34. Recipient Contribution			
35. State Contribution			
36. Local Contribution			
37. Other Contribution			
38. Allowable Project Cost		4,471,300	

39. FISCAL	Program Element	FY	Appropriation	Doc. Control No.	Account Number	Object Class	Obligation/Deoblig. Amount
	GHPW80	79	68X0103.B	W79005	MGHP036006	41.11	\$ 191,803
	GLAW80	84	68X0103.G	W84003	4GLA036006	41.11	\$3,161,667

PART II-APPROVED BUDGET

ASSISTANCE IDENTIFICATION

TABLE A - ACT CLASS CATEGORY
(Non-construction)TOTAL APPROVED ALLOWABLE
BUDGET PERIOD COST

1. PERSONNEL	
2. PRINCE BENEFITS	
3. TRAVEL	
4. EQUIPMENT	
5. SUPPLIES	
6. CONTRACTUAL	
7. CONSTRUCTION	
8. OTHER	
9. TOTAL DIRECT CHARGES	
10. INDIRECT COSTS: RATE % BASE	
11. TOTAL (Share: Recipient _____ % Federal _____ %)	
12. TOTAL APPROVED ASSISTANCE AMOUNT	\$ N/A

TABLE B - PROGRAM ELEMENT CLASSIFICATION
(Non-construction)

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12. TOTAL (Share: Recipient _____ % Federal _____ %)	
13. TOTAL APPROVED ASSISTANCE AMOUNT	\$ N/A

TABLE C - PROGRAM ELEMENT CLASSIFICATION
(Construction)

1. ADMINISTRATION EXPENSE	23,392
2. PRELIMINARY EXPENSE	
3. LAND STRUCTURES, RIGHT-OF-WAY	
4. ARCHITECTURAL ENGINEERING BASIC FEES	94,939
5. OTHER ARCHITECTURAL ENGINEERING FEES	76,582
6. PROJECT INSPECTION FEES	312,298
7. LAND DEVELOPMENT	
8. RELOCATION EXPENSES	
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES	
10. DEMOLITION AND REMOVAL	
11. CONSTRUCTION AND PROJECT IMPROVEMENT	3,408,625
12. KNOWLEDGE Power to Site	25,000
13. KNOWLEDGE Design Allowance	190,392
14. TOTAL (Lines 1 thru 13)	
15. ESTIMATED INCOME (If applicable)	
16. NET PROJECT AMOUNT (Line 14 minus 15)	
17. LESS: INELIGIBLE EXCLUSIONS	
18. ADD: CONTINGENCIES	340,072
19. TOTAL (Share: Recipient _____ 25 % Federal _____ 75 %)	4,471,300
20. TOTAL APPROVED ASSISTANCE AMOUNT	\$ 3,353,470

PART III-AWARD CONDITIONS

a. GENERAL CONDITIONS

The recipient covenants and agrees that it will expeditiously initiate and timely complete the project work for which assistance has been awarded under this agreement, in accordance with all applicable provisions of 40 CFR Chapter I, Subpart B. The recipient warrants, represents, and agrees that it, and its contractors, subcontractors, employees and representatives, will comply with: (1) all applicable provisions of 40 CFR Chapter I, Subchapter B, INCLUDING BUT NOT LIMITED TO the provisions of Appendix A to 40 CFR Part 30, and (2) any special conditions set forth in this assistance agreement or any assistance amendment pursuant to 40 CFR 30.425.

b. SPECIAL CONDITIONS:

(For cooperative agreements include identification or summarization of EPA responsibilities that reflect or contribute to substantial involvement.)

The grantee is subject to all the requirements of 40 CFR Part 35, Subpart I, Part 30, Part 33 and other pertinent regulations. The grantee is directed to certain following special considerations of those requirements.

(1) Regulations Affecting Federal Grant Payments

- (a) Payments shall not be made for Step III professional services until the grantee complies with the procurement requirements of 40 CFR Part 33, Subpart A.
- (b) The Regional Administrator shall not pay more than 50% of the Federal share unless the grantee has furnished a satisfactory final plan of operation, and shall not pay more than 90% unless the grantee has furnished a satisfactory operation and maintenance manual (40 CFR 35.2206).
- (c) Payments shall be made in accordance with 40 CFR 35.2300.
- (d) The grantee may submit requests for payment for allowable costs incurred in accordance with the following schedule:

<u>Payment No.</u>	<u>Date</u>	<u>Payment</u>	<u>Cumulative Amount</u> (not to be exceeded)
1	03/85	71,397	71,397
2	02/86	71,397	142,794
3	03/86	150,338	293,132
4	04/86	150,338	443,470
5	05/86	170,600	614,070
6	06/86	170,600	784,670
7	07/86	170,600	955,270
8	08/86	170,600	1,125,870
9	09/86	170,600	1,296,470
10	10/86	150,000	1,446,470
11	11/86	150,000	1,596,470
12	12/86	150,000	1,746,470
13	01/87	150,000	1,896,470
14	02/87	150,000	2,046,470
15	03/87	150,000	2,196,470
16	04/87	201,500	2,397,970
17	05/87	201,500	2,599,470
18	06/87	201,500	2,800,970
19	07/87	201,640	3,002,610
20	08/87	340,860	3,343,470
21	12/87	2,500	3,345,970
22	03/88	2,500	3,348,470
23	07/88	2,500	3,350,970
24	10/88	2,500	3,353,470

(2) Project Schedule Changes

For any changes in the project which increase the cost, delay or accelerate the project or alter the project in other ways (40 CFR 35.2204), the grantee must receive a formal grant amendment from the Regional Administrator before implementing the changes. Of particular interest is any change in completion of final design drawings and specifications, date of advertisement for bids, the building completion date as referenced in 40 CFR 35.2216, and the initiation of project operation date. The latter date is considered, at the time of this grant, to be 10/87. The grantee further agrees to provide the Regional Administrator, upon request, with a revised schedule for payment.

(3) Project Initiation

The grantee agrees to initiate the building of all significant elements of the project within 12 months after authorization to advertise for bids has been given (40 CFR 35.2212). To the extent practicable this initiation should not occur before all sites, easements and rights-of-way are acquired. The grantee shall notify the Regional Administrator immediately upon award of the contracts.

(4) Sewer Use Ordinance and User Charge System

The grantee agrees to adopt its sewer use ordinance and implement its user charge system before the treatment works is placed in operation (40 CFR 35.2208).

(5) Project Performance

The grantee agrees to certify to the Regional Administrator on the date one year after the initiation of operation whether or not the project is capable of meeting the project performance standards (40 CFR 35.2218(c)).

(6) Subagreements and Contracts

- (a) The grantee agrees to negotiate a subagreement and contract for all service to be awarded under this grant. Such subagreements and contracts shall be in conformance with and incorporate the required clauses of 40 CFR Part 33.
- (b) A copy of the proposed subagreements and contracts shall be submitted to the Regional Administrator for review and pre-award approval as appropriate under 40 CFR Part 33. The submittal of the proposed subagreements and contracts shall include the procurement records required in Appendix A to 40 CFR Part 33.
- (c) The grantee shall submit to the Regional Administrator the proposed subagreement and contract cost or price data on EPA Form 5700-41 or on a form which contains similar information.

(7) Flood Insurance

The grantee agrees to acquire and maintain at his own cost any flood insurance made available to it under the National Flood Insurance Act of 1968, as amended. This condition shall not be applicable if, on the date of execution of this Grant Agreement by both parties, flood insurance was not available pursuant to the Flood Insurance Act of 1968, as amended, for property in the project location.

Special Conditions C

(8) Review

The grantee recognizes that approval of any part of this grant, change orders, grant increase amendments, subagreements, any specific items, or eligibility of any other costs will be subject to final review, including project officer review, audit review, and final determination of the Grant Approving official.

(9) Advertisement for Bids

Prior to the advertisement for construction bids, the grantee agrees to submit to the Regional Administrator for approval the following:

- (a) A draft plan of operation (40 CFR 35.2106);
- (b) A user charge system (40 CFR 35.2140); Sewer Use Ordinance (40 CFR 35.2130); and
- (c) Final design drawings and specifications (refer to 40 CFR 35.2040 (b)(5)).

(10) MBE/WBE Requirements

The recipient agrees to submit to the Chief, Construction Grants Branch, Attn: EEO Specialist, EPA Region III, a completed EPA Form 6005-1 within 30 days after the date the recipient begins building the project (see 40 CFR 35.2202). This 6005-1 will contain the information on subagreement awards to minority and women's businesses used during the design phase of the project.

The recipient further agree to submit to the Chief, Construction Grants Branch, Attn: EEO Specialist, EPA-Region III, a completed Form 6005-1 within 15 days after the end of each Federal fiscal quarter during which the recipient or its contractors award any subagreements to a minority or women's business for building and building-related services and supplies.

(11) Public Participation

Additional public participation will be required to inform prospective users of the expected costs and rates. The grantee should submit to the DNR project officer, within 6 months, a plan/schedule for conducting the additional public participation.

(12) Property Accountability

The grantee is required to maintain property accountability on all such equipment in accordance with Circular A-102 and the requirements of 40 CFR 30.531.
(Property Control)

b. SPECIAL CONDITIONS (Continued)

PART IV

NOTE: The Agreement must be completed in duplicate and the Original returned to the Grants Administration Division for Headquarters awards and to the appropriate Grants Administrations Office for State and local awards within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA.

Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the recipient subsequent to the document being signed by the EPA Award Official which the Award Official determines to materially alter the Agreement shall void the Agreement.

OFFER AND ACCEPTANCE

The United States of America, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers assistance/~~amendment~~ to the Town of Poca

for 75 % of all approved costs incurred up to and not exceeding \$ 3,353,470

RECIPIENT ORGANIZATION

ASSISTANCE AMOUNT

for the support of approved budget period effort described in application (including all application modifications)

C-540299-02-0

Town of Poca

included herein by reference.

DATE AND TITLE

ISSUING OFFICE (Grants Administration Office)

AWARD APPROVAL OFFICE

ORGANIZATION/ADDRESS

Environmental Protection Agency
Grants Management Section (GIM32)
Curtis Building, 6th & Walnut Streets
Philadelphia, Pennsylvania 19106

ORGANIZATION/ADDRESS

Environmental Protection Agency
Water Management Division (3WMOO)
Curtis Building, 6th & Walnut Streets
Philadelphia, Pennsylvania 19106

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL

TYPED NAME AND TITLE

Thomas P. Eichler
Regional Administrator

DATE

SEP 26 1984

This Agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2) the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter 1, Subchapter B and of the provisions of this agreement (Parts I thru IV), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE

TYPED NAME AND TITLE

James D. Castro, Mayor

DATE

October 8 1984

**U.S. ENVIRONMENTAL PROTECTION AGENCY
EPA ASSISTANCE AGREEMENT/AMENDMENT
PART I - ASSISTANCE NOTIFICATION INFORMATION**

1. ASSISTANCE ID NO. C-540299-02-1	2. LOG NUMBER Three - C
3. DATE OF AWARD FEB 12 1987	4. MAILING DATE FEB 20 1987

5. AGREEMENT TYPE

Cooperative Agreement ☐

Grant Agreement ☐

Assistance Amendment ☒

6. PAYMENT METHOD

☐ Advance

☒ Reimbursement

☐ Letter of Credit

Send Payment Request To:

Grants Management Section

7. TYPE OF ACTION

Increase/Augmentation

8. RECIPIENT

Town of Poca
Town Hall
Poca, West Virginia 25159

9. PAYEE

Town of Poca
Town Hall
Poca, West Virginia 25159

EIN NO.

CONGRESSIONAL DISTRICT

3rd

10. RECIPIENT TYPE

City

11. PROJECT MANAGER AND TELEPHONE NO.

Larus D. Casto, Mayor
(304) 755-5482

12. CONSULTANT (WWT Construction Grants Only)

Appalachian Hart & Milam, Incorporated
1400 Ohio Avenue
Dunbar, West Virginia 25064
(304) 766-6224

13. ISSUING OFFICE (City/State)

Philadelphia, Pennsylvania

14. EPA PROJECT/STATE OFFICER AND TELEPHONE NO.

R. Fenton Roudabush, Chief
Virginia-West Virginia Section
(215) 597-9131

15. EPA CONGRESSIONAL LIAISON & TEL. NO.
Patricia Gaskins (202)382-5184

16. STATE APPL ID (Clearinghouse)

17. FIELD OF SCIENCE
N/A

18. PROJECT STEP (WWT CG Only) II/III

19. STATUTORY AUTHORITY

Clean Water Act, Title II

20. REGULATORY AUTHORITY

40 CFR Parts 30 & 35

21. STEP 2 + 3 & STEP 3 (WWT Construction Only)

a. Treatment Level	3
b. Project Type	NEW
c. Treatment Process	F
d. Sludge Design	5

22. PROJECT TITLE AND DESCRIPTION

This amendment increase is based on receipt of actual construction bids for Contracts 1, 2, 3 and 4 and utilizes alternative technology.

23. PROJECT LOCATION (Areas Impacted by Project)

City/Place

Poca

County

Putnam

State

WV

Congressional District

3rd

24. ASSISTANCE PROGRAM (CFDA Program No. & Title)

66.418

25. PROJECT PERIOD

10/84 - 02/89

26. BUDGET PERIOD

N/A

27. COMMUNITY POPULATION (WWT CG Only)

1,885

28. TOTAL BUDGET PERIOD COST

N/A

29. TOTAL PROJECT PERIOD COST

5,017,400

FUNDS

FORMER AWARD

THIS ACTION

AMENDED TOTAL

30. EPA Amount This Action

3,353,470

+

427,140

3,780,610

31. EPA In-Kind Amount

32. Unexpended Prior Year Balance

33. Other Federal Funds

34. Recipient Contribution

35. State Contribution

36. Local Contribution

37. Other Contribution

38. Allowable Project Cost

4,471,300

+

546,100

5,017,400

39. FISCAL

Program Element

FY

Appropriation

Doc. Control No.

Account Number

Object Class

Obligation/Deoblig. Amount

GRAW80

86-C

68X0103.J

W86C04

NGRAO36006

41.11

\$409,580

GSDW80

87

68X0103.K

WA8704

7GSDO36006

41.11

17,560

TABLE A - OBJECT CLASS CATEGORY
(Non-construction)TOTAL APPROVED ALLOWABLE
BUDGET PERIOD COST

1. PERSONNEL	
2. FRINGE BENEFITS	
3. TRAVEL	
4. EQUIPMENT	
5. SUPPLIES	
6. CONTRACTUAL	
7. CONSTRUCTION	
8. OTHER	
9. TOTAL DIRECT CHARGES	
10. INDIRECT COSTS: RATE % BASE	
11. TOTAL (Share: Recipient _____% Federal _____%)	

12. TOTAL APPROVED ASSISTANCE AMOUNT

\$ N/A

TABLE B - PROGRAM ELEMENT CLASSIFICATION
(Non-construction)

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12. TOTAL (Share: Recipient _____% Federal _____%)	

13. TOTAL APPROVED ASSISTANCE AMOUNT

\$ N/A

TABLE C - PROGRAM ELEMENT CLASSIFICATION
(Construction)Basic
75% Alternative
10%

1. ADMINISTRATION EXPENSE		
2. PRELIMINARY EXPENSE Legal & Fiscal	8,245	289
3. LAND STRUCTURES, RIGHT-OF-WAY	6,790	238
4. ARCHITECTURAL ENGINEERING BASIC FEES		
5. OTHER ARCHITECTURAL ENGINEERING FEES	102,445	3,586
6. PROJECT INSPECTION FEES	78,486	2,747
7. LAND DEVELOPMENT	329,193	11,522
8. RELOCATION EXPENSES		
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES		
10. DEMOLITION AND REMOVAL		
11. CONSTRUCTION AND PROJECT IMPROVEMENT		
12. POWER TO SITE Power to Site	4,043,825	141,504
13. FINAL DESIGN ALLOWANCE Final Design Allowance	25,000	875
14. TOTAL (Lines 1 thru 13)	221,217	7,743
15. ESTIMATED INCOME (If applicable)		
16. NET PROJECT AMOUNT (Line 14 minus 15)		
17. LESS: INELIGIBLE EXCLUSIONS		
18. ADD: CONTINGENCIES	202,199	7,096
19. TOTAL (Share: Recipient 24.7% Federal 75.3%)	5,017,400	175,600
20. TOTAL APPROVED ASSISTANCE AMOUNT (3,780,610)	\$ 3,763,050	17,560

PART III-AWARD CONDITIONS

a. GENERAL CONDITIONS

The recipient covenants and agrees that it will expeditiously initiate and timely complete the project work for which assistance has been awarded under this agreement, in accordance with all applicable provisions of 40 CFR Chapter I, Subpart B. The recipient warrants, represents, and agrees that it, and its contractors, subcontractors, employees and representatives, will comply with: (1) all applicable provisions of 40 CFR Chapter I, Subchapter B, INCLUDING BUT NOT LIMITED TO the provisions of Appendix A to 40 CFP Part 30, and (2) any special conditions set forth in this assistance agreement or any assistance amendment pursuant to 40 CFR 30.425.

b. SPECIAL CONDITIONS:

(For cooperative agreements include identification or summarization of EPA responsibilities that reflect or contribute to substantial involvement.)

- A. Part III, Special Conditions 1b, 1d, 2, 3, 4, and 5 are hereby deleted in their entirety and the following substituted in lieu thereof:

"1b. Grant Payment Milestones (40 CFR 35.2206)

Grant payments cannot exceed 50% of the Federal share unless the grantee has furnished a satisfactory final plan of operation, and cannot exceed 90% unless the grantee has furnished a satisfactory Operations and Maintenance Manual. The following dates represent an estimate of the timing of those payments.

Final Plan of Operation Approval	<u>06/87</u>
Operation and Maintenance Manual Approval	<u>12/87</u>

1d. Revised Schedule of Grant Payments

The grantee may submit requests for payments for allowable costs incurred in accordance with the following schedule:

<u>Payment No.</u>	<u>Date</u>	<u>Payment</u>	<u>Cumulative Amount</u> (not to be exceeded)
1	Previously Paid		71,300
2	02/87	194,620	265,920
3	03/87	200,000	465,920
4	04/87	275,000	740,920
5	05/87	375,000	1,115,920
6	06/87	375,000	1,490,920
7	07/87	375,000	1,865,920
8	08/87	375,000	2,240,920
9	09/87	250,000	2,490,920
10	10/87	250,000	2,740,920
11	11/87	275,000	3,015,920
12	12/87	200,000	3,215,920
13	01/88	190,620	3,406,540
14	02/88	360,070	3,766,610
15	05/88	3,500	3,770,110
16	08/88	3,500	3,773,610
17	11/88	3,500	3,777,110
18	02/89	3,500	3,780,610

Revisions to this schedule must be approved in writing by the Grant Approving Official.

b. SPECIAL CONDITIONS (Continued)

All other terms and conditions remain unchanged.

PART IV

NOTE: The Agreement must be completed in duplicate and the Original returned to the Grants Administration Division for Headquarters awards and to the appropriate Grants Administrations Office for State and local awards within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA.

Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the recipient subsequent to the document being signed by the EPA Award Official which the Award Official determines to materially alter the Agreement shall void the Agreement.

OFFER AND ACCEPTANCE

The United States of America, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers ~~assistance~~ amendment to the Town of Poca

for 75.3 % of all approved costs incurred up to and not exceeding \$ 3,780,610

RECIPIENT ORGANIZATION

ASSISTANCE AMOUNT

for the support of approved budget period effort described in application (including all application modifications)

C-540299-02 Town of Poca included herein by reference.

ISSUING OFFICE (Grants Administration Office)

ORGANIZATION/ADDRESS
Environmental Protection Agency
Grants Management Branch (3PM70)
841 Chestnut Building
Philadelphia, Pennsylvania 19107

AWARD APPROVAL OFFICE

ORGANIZATION/ADDRESS
Environmental Protection Agency
Water Management Division (3WMOO)
841 Chestnut Building
Philadelphia, Pennsylvania 19107

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL

TYPED NAME AND TITLE

James M. Seif, Regional Administrator

DATE

FEB 12 1987

This Agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2) the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter I, Subchapter B and of the provisions of this agreement (Parts I thru IV), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE

TYPED NAME AND TITLE

DATE

2. Project Schedule

EPA's policy requires that projects be initiated, constructed, and placed in operation in a timely manner. For that reason, the schedule shown below, which was developed in conjunction with your grant application, is included as a special condition. The grantee is expected to take all appropriate actions to ensure that this schedule is maintained.

In the event that the project is delayed for reasons beyond the control of the grantee, this schedule may be revised. If the delay arises from mismanagement and could otherwise have been avoided, the schedule will not be revised, in which case EPA will be compelled to determine if ineligible incremental costs have been incurred as a result.

3. Project Initiation (40 CFR 35.2212)

Construction is expected to be initiated on the following schedule.

Failure of the grantee to initiate construction of all major contracts within 12 months of approval of plans and specifications will result in disallowance of incremental costs in accordance with 40 CFR 35.2212, "Project Initiation".

		<u>Date</u>	
Plans and Specifications approval	<u>08/86</u>	<u> </u>	<u> </u>
Bid Advertisement	<u>09/86</u>	<u> </u>	<u> </u>
Construction Contract Award	<u>01/87</u>	<u> </u>	<u> </u>
Construction Start (NTP)	<u>01/87</u>	<u> </u>	<u> </u>

4. Sewer Use Ordinance and User Charge System (40 CFR 35.2208)

The sewer use ordinance must be adopted, and the user charge system implemented, before the system is placed in operation. The following dates represent an estimate of that operational date.

Sewer Use Ordinance Adoption	<u>06/87</u>
User Charge System Implementation	<u>02/88</u>

5. Project Performance (40 CFR 35.2218)

Federal Regulations place special emphasis on the performance of the project. It is vitally important that the facility performs as designed and on schedule. The grantee, therefore, agrees to initiate operation and certify performance by the dates below. It is likewise important that the final Federal share of the project be determined at the earliest possible date. The grantee, therefore, agrees to submit its request for final payment in accordance with this schedule.

Initiation of Operation	<u>02/88</u>	
Project Performance Certification	<u>02/89</u>	
Final Payment Request	<u>02/89</u>	"

B. Part III, Special Conditions, is hereby amended by adding the following:

"13. Notice of Building Completion (40 CFR 35.2216)

Grantee agrees to notify the State when construction is completed and also agrees to submit a preliminary final payment request on schedule.

Grantee's request to State for final physical inspection 01/88

Preliminary Final Payment Request 01/88

14. Project Replacement

The grantee shall inform the Regional Administrator within two years after the initiation of the operation of the project if the project is failing to meet the project performance standards. If necessary the Regional Administrator may award 100% of the allowable costs for modifications or replacement (40 CFR 35.2032(c)).

15. Land Acquisition

The grantee shall not make any offer to acquire allowable real property until the Regional Administrator approves the price the grantee will offer the property owner (40 CFR 35.2210).

16. Award Restrictions

The grantee agrees that no portion of this award will be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

17. Audit Requirement

The recipient agrees that it will comply with the provisions of OMB Circular A-128 governing the audit of State and local government recipients of Federal assistance for fiscal years that begin after December 31, 1984. (This requirement replaces 40 CFR 30.540(b) which is based on OMB Circular A-102, Attachment P.)"

b. SPECIAL CONDITIONS (Continued)

All other terms and conditions remain unchanged.

PART IV

NOTE: The Agreement must be completed in duplicate and the Original returned to the Grants Administration Division for Headquarters awards and to the appropriate Grants Administrations Office for State and local awards within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA.

Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the recipient subsequent to the document being signed by the EPA Award Official which the Award Official determines to materially alter the Agreement shall void the Agreement.

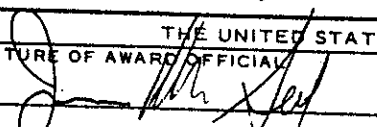
OFFER AND ACCEPTANCE

The United States of America, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers ~~assistance~~ amendment to the Town of Poca

for 75.3 % of all approved costs incurred up to and not exceeding \$ 3,780,610

for the support of approved budget period effort described in application (including all application modifications)

C-540299-02 Town of Poca included herein by reference.

ISSUING OFFICE (Grants Administration Office)		AWARD APPROVAL OFFICE	
ORGANIZATION/ADDRESS Environmental Protection Agency Grants Management Branch (3PM70) 841 Chestnut Building Philadelphia, Pennsylvania 19107		ORGANIZATION/ADDRESS Environmental Protection Agency Water Management Division (3WMOO) 841 Chestnut Building Philadelphia, Pennsylvania 19107	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
SIGNATURE OF AWARD OFFICIAL 		TYPED NAME AND TITLE James M. Seif, Regional Administrator	
		DATE FEB 12 1987	

This Agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2) the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter I, Subchapter B and of the provisions of this agreement (Parts I thru IV), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION		
SIGNATURE 	TYPED NAME AND TITLE MAYOR D. CASTO - MAYOR	DATE



STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

August 30, 1985

ARCH A. MOORE, JR.
GOVERNOR

The Honorable Larus Casto
Mayor
Town of Poca
Post Office Box 586
Poca, West Virginia 25159

FILE w/ SCBG APPLICATION

Dear Mayor Casto:

Thank you for your application to the Small Cities Block Grant program for fiscal year 1985. The State of West Virginia received 149 applications for funding totaling over \$63 million in community development projects. As you are aware, West Virginia's FY 85 allocation was somewhat less than \$17 million; less than a third of the amount requested for funding.

I recognize the desperate condition of sewer service in many West Virginia communities. After careful review of the many worthy projects submitted for consideration, I am pleased to announce my approval of your application in the amount of \$750,000 to improve the sewer service in the Town of Poca.

In order to most effectively utilize the limited dollars available, I hereby commit \$350,000 from our FY 85 allocation which will be immediately available to you. The remaining \$400,000 necessary to complete this project will be evaluated and committed in the coming fiscal year. I encourage you to immediately expedite this project and reach its completion as quickly as possible with this funding strategy in mind.

My Community Development staff will contact you to complete the necessary contracts in order to proceed with your project. It is my intention to personally present your grant award to you at the earliest possible date.

It is with great pleasure that I am able to work with you to make this improvement a reality for all the citizens of Poca.

Sincerely,

Arch A. Moore, Jr.
Governor

AAMJr:mp



STATE OF WEST VIRGINIA
GOVERNOR'S OFFICE
OF
COMMUNITY AND INDUSTRIAL DEVELOPMENT
CHARLESTON, WV 25305

ARCH A. MOORE, JR.
GOVERNOR

September 11, 1985

RECEIVED
SEP 13 1985
FIE

The Honorable Larus Casto
Mayor
Town of Poca
Post Office Box 586
Poca, West Virginia 25159

Dear Mayor Casto:

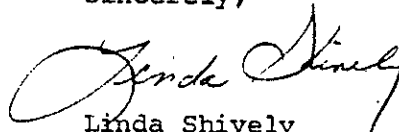
Congratulations on your recent grant award from West Virginia's Small Cities Block Grant Program. As the Community Development Representative for your community, I will be your point of contact regarding program guidelines, rules and regulations.

I will be contacting you shortly regarding an initial meeting to explain the technical aspects of the Small Cities Block Grant Program. Like most grant programs, attention to detail is required for proper implementation of your project. I hope that you will be able to attend this initial meeting, however you may designate a representative to attend on your behalf.

I look forward to a close and constructive relationship with the Town of Poca.

If I can be of additional assistance, please contact me at 348-4010.

Sincerely,


Linda Shively
Community Development
Representative

LS:jp

cc: Region III

Larry D. Castle

RECORDED

Veronica Dale Parkins

COUNCIL

Pat Hill

James Fisher

Brady R. Paxton

Arnold G. Stephens

John Myers

Town of Mora

100 MAIN STREET

P. O. BOX 506

POCA, WEST VIRGINIA 25159

POLICE DEPARTMENT

Larry L. Critter

Police Chief

SANITARY BOARD

Larus D. Casto, Mayor

Thomas Martin, Member

Donald Atkinson, Member

Barbara Spears, Clerk

"FRIENDLINESS OUR MOTTO, PROGRESS OUR GOAL"

October 20, 1986

Mr. Fred Cutlip, Director
Community Development Division
Governor's Office of Community
and Industrial Development
Bldg. 6, Room 548B
State Capitol Complex
Charleston, WV 25305

RE: Town of Poca SCBG
B-85-DC-54-0001

Dear Mr. Cutlip:

When Governor Moore announced his award of HUD-SCBG funds to the Town of Poca for its sewage system project, he committed \$350,000 in FY85 funds with an additional \$400,000 to be committed in the next fiscal year. I am now requesting that your office commit the \$400,000 which is necessary for the completion of our project.

On July 25, 1986, Linda Shively and T. White of your office conducted an on-site monitoring visit for the HUD funds used in the Poca Sewage Project. I believe that they determined our records to be in order and that the Town has the capacity to carry out the remainder of the project. Since that time, DNR approved the final plans and specifications on the system, and all paperwork has been submitted to the Public Service Commission for its approval. The Town opened construction bids on October 15, 1986 and will award contracts after receiving approval of contractors through your office. We expect to begin construction upon final authorization of the Public Service Commission. Therefore, we will soon be in need of the additional HUD funds, and request your commitment of these funds to the Town.

If you need further information, please let me know.

Sincerely,

Larus Casto
Mayor

 LC/dt

STATE OF WEST VIRGINIA

WV-47

PURCHASE ORDER

BUYER
SF

Page 1 of 29 Pages

P.O. No.: 1186

Date:
10/22/85

State Acct. No:
121-8029-15-025-13

Fiscal Year:
1986

B. R. Acct. No.:

Department of
Institution: Governor's Office of Community and Industrial Dev.

Vendor Name & Address:

F.E.I.N.
000-000-915-9
TELEPHONE

TOWN OF POCA
POST OFFICE BOX 586
POCA, WEST VIRGINIA 25159

Ship To:
Governor's Office of Community &
Industrial Development
R-150, State Capitol
Charleston, West Virginia 25305
Invoice in Quintuplicate to
SAME AS ABOVE

11-7-85 sk

AGREEMENT

This Agreement constitutes the acceptance of contract made by and between the State of West Virginia by the Commissioner of Finance and Administration for and on behalf of Governor's Office of Community & Industrial Development and Town of Poca, for Sewer System

Service beginning August 30, 19 85 and extending until August 30, 19 87. All in accordance with standard form of agreement attached hereto as a part hereof.

SCHEDULE OF PAYMENT

\$ _____ per _____

FEE: \$ 350,000.00
TRAVEL EXPENSE: \$ _____
OTHER EXPENSE: \$ _____
TOTAL: \$ 350,000.00

APPROVED AS TO FORM THIS 12
DAY OF Nov, 19 85
CHARLIE BROWN
Attorney General
BY [Signature]
Assistant Attorney General

STATE OF WEST VIRGINIA
Department of Finance and Administration
JOHN F. McCUSKEY
[Signature]
Commissioner

Execution of this Agreement by the Commissioner of the Department of Finance and Administration and the Purchasing Director constitutes acceptance by those parties of the terms and conditions contained in the attached contract documents and binds the vendor whose signature appears therein to said terms and conditions.

Approval of the

Governor on Page 2

APPROVED AS TO PROVISIONS AND TERMS

STATE OF WEST VIRGINIA

Department of Finance and Administration
PURCHASING DIVISION

[Signature]
DIRECTOR, PURCHASING DIVISION

TOTAL AMOUNT OF THIS ENCUMBERED
PURCHASE ORDER \$ FROM TRANSMITTAL

JP
11/7/85

11-17



STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

ARCH A. MOORE, JR.
GOVERNOR

November 5, 1986

Handwritten:
✓
File

The Honorable Larus Casto
Mayor
Town of Poca
Post Office Box 586
Poca, West Virginia 25159

Dear Mayor Casto:

On August 30, 1985, I awarded your community a Small Cities Block Grant in the amount of \$750,000 for the construction of a sewerage system for the Town of Poca. In making this grant, I recognized the desperate condition of sewer service in many West Virginia communities. In order to most effectively use the limited dollars available at that time, I committed \$350,000 from our FY 1985 Small Cities allocation with an additional commitment to evaluate your progress and provide the remaining \$400,000 from our future funding.

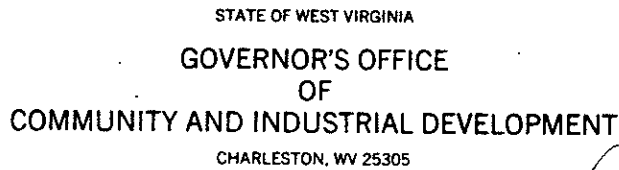
I am pleased to announce my approval of the remaining \$400,000 for a total commitment of \$750,000 to allow for completion of your project. My Community Development Division staff will be contacting you to assist you in completing the changes necessary to amend your contract.

It is with great pleasure that I have been able to work with you on this very worthwhile project which will benefit the Town of Poca.

Sincerely,

Arch A. Moore Jr.
Arch A. Moore, Jr.
Governor

AAMJr:jp



December 10, 1986

cc: John Romano, Region III

PURCHASE CHANGE REQUEST

87

JP

11-7-86

121-8029-15-

025-13

10-22-85

1186

Document

- ☐ Requisition (Cancellation only)
☐ Regular Purchase Order (01)
☐ Contract Purchase Order (06)
☐ Special Purchase Order (04)
☒ Agreement (06)

Purpose of Change (check boxes as applicable)

- ☐ Cancellation
☐ Increase/Decrease
☐ Unused Balance (\$25.00 Maximum)
☐ Freight
☐ Renewal
☐ Extension Error

Statewide Contract

- ☐ Error in Total Amount
☐ Change of Account
☐ Change of Vender Name/Address
☒ Other

Vendor Name, Address, FEIN, Phone # 000-000-915-9

- Town of Poca
Post Office Box 586
Poca, West Virginia 25159

Spending Unit Name & Address

GOCID/Administration
R-150 State Capitol
Charleston, West Virginia 25305

Item #	Quantity	Description of Change	Unit Price	Extended Price
		Change Order # <u>1</u>		
		<u>INCREASE CONTRACT</u>		
		FROM: \$350,000.00		
		TO: \$750,000.00		
		INCREASE: \$400,000.00		

VENDOR'S
COPY

CERTIFIED CORRECTED
BUDGET DIV
BY cm
DEC 4 1986

Reason for Change

Additional funds needed to complete contract.
To notify project auditors that increased funds are
from HUD/SCBG grant number B-86-DC-54-0001.

Previous Total

Encumbered From
\$ Transmittal

Increase

\$

Decrease

\$

New Total

Encumbered From
\$ Transmittal

Approval Recommended

G. Alexander D. Dutton
Agency Authorized Signature

Buyer, Purchasing Division

Approved

[Signature]
Director, Purchasing Division

Date

[Signature]
Commissioner, Dept. Finance & Admin.

Date

[Signature]
Attorney General

Date



STATE OF WEST VIRGINIA
GOVERNOR'S OFFICE
OF
COMMUNITY AND INDUSTRIAL DEVELOPMENT
CHARLESTON, WV 25305

ARCH A. MOORE, JR.
GOVERNOR

October 8, 1985

Handwritten: V. [unclear]
Sent 10/17/85

The Honorable Larus Casto
Mayor
Town of Poca
Post Office Box 586
Poca, West Virginia 25159

Dear Mayor Casto:

Enclosed is the contract between the Governor's Office of Community and Industrial Development and the Town of Poca. This agreement is a formal acceptance of the grant offer including terms and conditions. Please review this contract carefully, sign and return it to me along with a resolution from the City Council authorizing entry into this contractual agreement.

If you have any questions regarding this matter, please contact me at 348-4010.

Sincerely,

for Barry W. Brown
Linda Shively
Community Development
Representative

LS:ng

Enclosure

cc: John Romano
Region III

STATE OF WEST VIRGINIA

PURCHASE ORDER

WV-47

11/18/85 *JP*

Page 1 of 29 Pages

P.O. No.: 1186

BUYER

SF

Date: 10/22/85

State Acct. No: 121-8029-15-025-13

Fiscal Year: 1986

B. R. Acct. No.:

Department or Institution: Governor's Office of Community and Industrial Dev.

Vendor Name & Address:

TOWN OF POCA
POST OFFICE BOX 586
POCA, WEST VIRGINIA 25159

00

F.E.I.N.

000-000-915-9

TELEPHONE

Ship To:

Governor's Office of Community & Industrial Development
R-150, State Capitol
Charleston, West Virginia 25306

Invoice in Quintuplicate to

NAME AS ABOVE

11-7-85 sk

AGREEMENT

This Agreement constitutes the acceptance of contract made by and between the State of West Virginia by the Commissioner of Finance and Administration for and on behalf of Governor's Office of Community & Industrial Development and Town of Pocahontas for Sewer System

Service beginning August 30, 19 85 and extending until August 30, 19 87. All in accordance with standard form of agreement attached hereto as a part hereof.

SCHEDULE OF PAYMENT

\$ _____ per _____

FEE: \$ 350,000.00
TRAVEL EXPENSE: \$ _____
OTHER EXPENSE: \$ _____
TOTAL: \$ 350,000.00

APPROVED AS TO FORM THIS 12
DAY OF Nov, 19 85

CHARLIE BROWN
Attorney General

BY [Signature]
Assistant Attorney General

STATE OF WEST VIRGINIA
Department of Finance and Administration
JOHN F. McCUSKEY

[Signature]
Commissioner

Execution of this Agreement by the Commissioner of the Department of Finance and Administration and the Purchasing Director constitutes acceptance by those parties of the terms and conditions contained in the attached contract documents and binds the vendor whose signature appears therein to said terms and conditions.

Approval of the
Governor on Page 2

APPROVED AS TO PROVISIONS AND TERMS

STATE OF WEST VIRGINIA

Department of Finance and Administration
PURCHASING DIVISION

[Signature]
DIRECTOR, PURCHASING DIVISION

JP
11/7/85

TOTAL AMOUNT OF THIS **ENCUMBERED**
PURCHASE ORDER \$ **FROM TRANSMITTAL**

11-17

TERMS AND CONDITIONS

1. Vendor's Federal Employer Identification Number or Social Security Number, Purchasing Division file number, purchase order number, and name of Spending Unit specified on the purchase order must appear on all invoices, correspondence, containers, drums, shipping tags, boxes and etc.
2. AN ORIGINAL TYPED INVOICE AND FOUR COPIES MUST BE SUBMITTED FOR PAYMENT AGAINST THIS PURCHASE ORDER TO SPENDING UNIT DESIGNATED ON THE FACE OF THE PURCHASE ORDER.
3. Any request for changes or corrections in the purchase order must be submitted to the Purchasing Division in writing. The unit price on all purchase orders not containing a price adjustment agreement will remain firm for the life of the contract.
4. Vendors offering items claimed as equal to those specified on the purchase order, but which are not equal, may be subject to the Purchasing Director's recommendation that the right and privilege of the vendor to bid on State purchases be suspended, in accordance with the W.V.A. Code, §5A-3-39.
5. All tangible property and/or services sold to the State of West Virginia on this purchase order is exempt from consumers sales and service tax or use tax. Vendor's file copy of this order will be accepted by the State Tax Department as an exemption certificate.
6. All sales of tangible property and/or services to the State of West Virginia, which are consummated in this State, are subject to West Virginia business and occupation tax.
7. All sales to the State of West Virginia are exempt from federal tax under Exemption No. A-108077.
8. The State of West Virginia may reject, revoke, or cancel this agreement or any part thereof, and, in the absence of provisions for liquidated damages as set forth in the body of this agreement, shall have the right to recover any and all damages sustained as a result of the vendor's failure to perform, in whole or in part, the terms and conditions of this agreement. The State may withhold from any remittance due the vendor under the terms and conditions of this agreement an amount equal to the damages sustained by such failure of performance on the part of the vendor.
9. The Director of Purchasing reserves the right to cancel this contract upon fifteen (15) days written notice to the vendor, subject to the following qualifications:
 - a. Allowances may be made for delays in delivery or performance which are caused by shortages of materials or energy resources, strikes or by other causes beyond the control of the vendor. Provided, however, that the cause of such delay must be direct and that the vendor must submit to the Director of Purchasing documented proof of the cause of any such delay.
 - b. Notwithstanding the above provision, the Director of Purchasing reserves the right to cancel this contract forthwith if the commodities supplied as herein contracted for are of an inferior quality or if the commodities supplied are not in conformity with the specifications of the bid and contract herein. Any deviations from specifications indicated herein must be clearly pointed out; otherwise, it will be considered that items offered are in strict compliance with these specifications and successful bidder will be held responsible therefor. Deviations must be explained in detail. Vendors offering items claimed as equal to those specified hereon, but which are not equal, may be removed from the bidders list, at the option of the Director of Purchasing.
10. PROVIDER agrees that it will comply with Title VI of the Federal Civil Rights Act of 1964 (P.L. 88-352) and the Regulations of the State of West Virginia, to the end that no person in the State, or in the United States, shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Provider receives any recompense or other consideration of value, either directly or indirectly, from the State; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved, this assurance shall obligate the Provider, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which any State payment is extended or for another purpose involving the provision of similar services or benefits. If any other goods or services are so provided, this assurance shall obligate the Provider for the period during which it supplies such goods or services.

The Provider recognizes and agrees that such right to provide property, goods or services to the State will be extended in reliance on the representations and agreements made in this assurance, and that the State shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Provider, its successor, transferees, and assignee, or any authorized persons on behalf of the Provider.
11. FAILURE OF SUCCESSFUL BIDDER TO MAKE DELIVERY AS QUOTED HEREIN WILL BE CONSIDERED SUFFICIENT CAUSE FOR CANCELLATION.
12. VENDORS MUST BE PROPERLY REGISTERED WITH THE PURCHASING DIVISION.



STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

August 30, 1985

ARCH A. MOORE, JR.
GOVERNOR

The Honorable Larus Casto
Mayor
Town of Poca
Post Office Box 586
Poca, West Virginia 25159

Dear Mayor Casto:

Thank you for your application to the Small Cities Block Grant program for fiscal year 1985. The State of West Virginia received 149 applications for funding totaling over \$63 million in community development projects. As you are aware, West Virginia's FY 85 allocation was somewhat less than \$17 million; less than a third of the amount requested for funding.

I recognize the desperate condition of sewer service in many West Virginia communities. After careful review of the many worthy projects submitted for consideration, I am pleased to announce my approval of your application in the amount of \$750,000 to improve the sewer service in the Town of Poca.

In order to most effectively utilize the limited dollars available, I hereby commit \$350,000 from our FY 85 allocation which will be immediately available to you. The remaining \$400,000 necessary to complete this project will be evaluated and committed in the coming fiscal year. I encourage you to immediately expedite this project and reach its completion as quickly as possible with this funding strategy in mind.

My Community Development staff will contact you to complete the necessary contracts in order to proceed with your project. It is my intention to personally present your grant award to you at the earliest possible date.

It is with great pleasure that I am able to work with you to make this improvement a reality for all the citizens of Poca.

Sincerely,

Arch A. Moore, Jr.
Governor

AAMJr:mp

SMALL CITIES PROGRAM SECTION I Project Summary		1. Original <u>X</u> Amendment _____ Date <u>6-10-85</u>		2. Name of Eligible Applicant Town of Poca		
4. Address of Applicant Town Hall Poca, W.Va. 25159		3. F.E.I.N. 55-056-4030				
		RECEIVED JUN 11 1985 Community Development				
4. Address of Applicant Town Hall Poca, W.Va. 25159		5. Name/Address/Telephone of Contact Person Larus D. Casto Town Hall Poca, W.Va. 25159 phone 755-5482				
		RECEIVED JUN 11 1985 Community Development				
6. Name of Project Poca Sewer System		7. County Putnam		8. Region III		
9. Component Activities (List as shown in Section IV-A) (a)		Relates to National Objective (b)	Small Cities Funds Requested (c)	Other Funds		Total Project Amount (f)
				Source (d)	Amount (e)	
ADMINISTRATION		a	\$10,000	WDA-EPA	\$ 50,000	\$ 60,000
Engineering		a	190,000	"	764,879	954,879
Land Acquisition				WDA	70,000	70,000
Construction		a	550,000	WDA-EPA	3,167,010	3,717,010
Power to Site				"	25,000	25,000
Design Allowance				"	190,400	190,400
Contingencies					335,000	335,000
TOTAL		XXXXXXXXXXXX XXXXXXXXXXXX	\$ 750,000	XXXXXXXXXXXX XXXXXXXXXXXX	\$4,602,289	\$ 5,352,289
10. Status of Other Funds (If approved, attach verification) EPA grant agreement attached; WDA loan is being applied for.						
11. Relationship of Activities to National Objectives (Post to Column 9b) a. Benefit to low/moderate income persons b. Existing conditions pose a serious and immediate threat to health and welfare where other financial resources are available to meet such needs. c. Aid in the prevention or elimination of blighted or deteriorated areas.				12. Functional Category ___ Neighborhood Revitalization <u>X</u> Community Facilities ___ Housing ___ Economic Development ___ Public Services ___ Community Planning		
				RECEIVED JUN 15 1985 Community Development		
13. To the best of my knowledge and belief, data in this proposal is true and correct, the submission thereof has duly been authorized by the governing body, and the applicant will comply with the attached assurances and certifications if assistance is provided.						
Typed Name: <u>Larus D. Casto</u>				Signature: <u>Larus D. Casto</u>		
Title: <u>Mayor</u>				Date: <u>6-10-85</u>		

**SMALL CITIES PROGRAM
SECTION III**

1. Name of Applicant
Town of Poca

Impact of Activities on National Objectives

2. Name of Project
Sewage System

Briefly describe the scope of the project and the anticipated results once completed. How will identified needs (Section IIA) of low- and moderate-income persons be impacted by each of the selected activities? Each activity must be addressed separately. In determining whether each of the applicant's activities meets one of the National Objectives, the State will consider whether the activity falls within the standards of Part 0 (570.901(b)) operating instructions. For each activity, the applicant must identify the Part 0 Standard in the right-hand column.

Project Scope:

570.901
b,1,1A

The proposed project is a 0.325 million gallon per day oxidation ditch treatment plant, 20,850 linear feet of 8-inch gravity sewer, 4 lift stations 6525 LF of 6-inch force main, 575 LF of 4-inch force main to serve approximately 600 families in the Poca area.

Activities and Impact:

PART 0 STANDARD

The purpose of the project described above is to eliminate the pollution of ground and surface waters and to eliminate potential health hazards in and around the Town of Poca. In particular, the system is expected to eliminate the direct discharge of sewage into the Kanawha River and malfunctioning on-lot systems. The on-lot systems have been documented as failing, with particular problems being high groundwater tables, minimum cover to bedrock, and inadequate installations of septic tank-soil absorption systems. Approximately 53% of the persons served by the project are low and moderate income. If the purpose of the project is achieved, Poca will have eliminated a health hazard and improved the quality of life for all area residents, not to mention those persons outside the project area who are subject to the effects of sewage flowing in the Kanawha River.

570.901
b,1, 1A

Attach additional pages as necessary.

SMALL CITIES PROGRAM
SECTION III

1. Name of Applicant
Town of Poca

Impact of Activities on National Objectives

2. Name of Project
Sewage System

Briefly describe the scope of the project and the anticipated results once completed. How will identified needs (Section IIA) of low- and moderate-income persons be impacted by each of the selected activities? Each activity must be addressed separately. In determining whether each of the applicant's activities meets one of the National Objectives, the State will consider whether the activity falls within the standards of Part 0 (570.901(b)) operating instructions. For each activity, the applicant must identify the Part 0 Standard in the right-hand column.

Project Scope:

570.901
b,1,iA

The proposed project is a 0.325 million gallon per day oxidation ditch treatment plant, 20,850 linear feet of 8-inch gravity sewer, 4 lift stations 6525 LF of 6-inch force main, 575 LF of 4-inch force main to serve approximately 600 families in the Poca area.

Activities and Impact:

PART 0 STANDARD

The purpose of the project described above is to eliminate the pollution of ground and surface waters and to eliminate potential health hazards in and around the Town of Poca. In particular, the system is expected to eliminate the direct discharge of sewage into the Kanawha River and malfunctioning on-lot systems. The on-lot systems have been documented as failing, with particular problems being high groundwater tables, minimum cover to bedrock, and inadequate installations of septic tank-soil absorption systems. Approximately 53% of the persons served by the project are low and moderate income. If the purpose of the project is achieved, Poca will have eliminated a health hazard and improved the quality of life for all area residents, not to mention those persons outside the project area who are subject to the effects of sewage flowing in the Kanawha River.

570.901
b,1, iA

Attach additional pages as necessary.

SMALL CITIES PROGRAM
SECTION IV

1. Name of Applicant Town of Poca

3. Original X

A. Proposed Project Activities

2. Name of Project
Sewage System

Amendment #

Date 6-10-85

4. Activity
(a)

Census Tract/
ED Locations
(b)

Measurable Description of Work to be Done
(c)

Small Cities
Funds Requested
(d)

ADMINISTRATION

Dunbar &
Poca

HUD Compliance, Legal, & Audit

10,000

Engineering

Poca
Tract 205

Final Design, Project Inspection

190,000

Construction

Poca
Tract 205

Complete Sewage System as described
in Project Scope, Section III

550,000

205-3
51.15
+
205-2
51.15

205-1
20.43

AUDIT

(included in Administration for \$2000)

TOTAL

\$ 750,000

SMALL CITIES PROGRAM SECTION IV B. Proposed Budget	1. Name of Applicant Town of Poca		Original <input checked="" type="checkbox"/>
	2. Name of Project		Amendment # _____ Date <u>6-10-85</u>
COST CLASSIFICATION (a)	SMALL CITIES FUNDS (c)	OTHER FUNDS*	TOTAL FUNDS (d)
A. Administration (limited to 10%)**	10,000	WDA 32,460 EPA 17,540	60,000
B. Architectural/Engineering/ Professional Services***	190,000	WDA 402,019 EPA 362,860	954,879
C. Land Acquisition Costs		WDA 70,000	70,000
D. Relocation Payments/Assistance			
E. Demolition/Clearance Activities			
F. Facility Improvements	550,000	WDA 610,360 EPA 2,556,650	3,717,010
G. Housing Rehabilitation Improvements			
H. Housing Rehabilitation Specialist			
I. Power to Site		WDA 6,250 EPA 18,750	25,000
J. Design Allowance		WDA 47,600 EPA 142,800	190,400
K. Contingencies		WDA 79,900 EPA 255,100	335,000
L. Less Program Income			
M. Total Project Cost	750,000	4,602,289	5,352,289

*Attach documentation regarding the current status of these funds.

**Increase to 13% if administering rental rehab; all applicants must complete the administrative budget, p.9

***Attach listing of services and itemized costs.

SMALL CITIES PROGRAM Proposed Administrative Budget (to be completed by all applicants)	1. Name of Applicant Town of Poca	Original <input checked="" type="checkbox"/>
	2. Name of Project Sewage System	Amendment # _____ Date 6-10-85

This project will be administered by (check one):

- ☒ Applicant and ☒ Regional Planning & Development Council
☐ Other unit of local government ☐ Professional/Consultant Services

CATEGORY	SMALL CITIES FUNDS	OTHER FUNDS	TOTAL
Personnel (Itemize by position, salary and number of months.)	Town will add staff person to monitor project.	19700	19,700
Fringe Benefits @ 27 %		5,319	5,319
Travel		725	725
Telephone /Supplies		2,400	2,400
Legal & Overhead Other		13,856	13,856
Regional Council <input checked="" type="checkbox"/> or Consultant Services <input type="checkbox"/>	8,000	7,000	15,000
Project Audit	2,000	1,000	3,000
Total Administrative Cost	10,000	50,000	60,000

- If applicant intends to self-administer or if another unit of local government will be administering with personnel already on payroll or if new personnel are to be employed and placed on payroll for block grant administrative purposes, all blocks except "Regional Council" or "Consultant Services" must be completed; all new positions must be advertised.
- If applicant intends to employ a Regional Council or professional administrative agencies or firms, the anticipated cost of such service must be entered under the "Regional Council" or "Consultant Services" category. All consultant services must be solicited by published Requests for Proposals (RFP), procured through competitive negotiation procedures and contracted in accordance with the Grants Management Handbook. Agreements or contracts with Regional Planning and Development Councils are not subject to the RFP or competitive negotiation process; however, all costs must be allowable in accordance with the Grants Management Handbook.
- The Total Administrative Cost must not exceed the allowable percentage and must be correctly entered on pages 1, 7, and 8.

SMALL CITIES PROGRAM
SECTION IV

C. Implementation Schedule

1. Name of Applicant
Town of Poca

2. Name of Project
Sewage System

Original X

Amendment #

Date 6-10-85

ACTIVITY

PROJECT MONTH

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24

ADMINISTRATION

Land Purchase

Engineering

Power to Site

Construction

X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
				X	X	X	X																		
X	X	X	X	X	X	X	X	X	X	X	X														
																		X	X	X					
													X	X	X	X	X	X	X	X	X	X	X	X	X

AUDIT

SECTION VI

Assurances

Community Development Block Grant Small Cities Program

The applicant hereby assures and certifies that:

- A. It possesses legal authority to apply for the grant, and to execute the proposed program.
- B. Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
- C. It has provided the Regional Planning and Development Council an opportunity to review the proposed project, and
 1. Any comments and recommendations made by or through clearinghouses are attached and have been considered prior to submission of the application; or
 2. The required procedures have been followed, and no comments or recommendations have been received.
- D. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with the Title I funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (A) Title I funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than Title I funds; or (B) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the applicant certifies that it lacks sufficient Title I funds to comply with the requirements of clause (A) and further certifies that:
 1. It has furnished citizens with information concerning the amount of funds available for proposed community development and housing activities and the range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and plans for minimizing displacement of persons as a result of activities assisted with such funds and to assist persons actually displaced as a result of activities;
 2. It has published a proposed statement in such manner to afford citizens an opportunity to examine its content and to submit comments on the proposed statement and on the community development performance of the applicant;
 3. It has provided adequate notice of public hearings;
 4. It has held one or more public hearings to obtain the views of citizens on community development and housing needs; and
 5. It has considered all comments and views prior to completing and submitting the final proposal;
 6. It has made the final proposal available to the public;

7. It has/will provide citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of funds received under Title I from one eligible activity to another.
 8. It has/will provide citizens with reasonable access to records regarding the past use of funds received under Title I.
- E. Its chief executive officer or other officer:
1. Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969.
 2. Authorizes and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.
- F. The Community Development Program has been developed so as to give maximum feasible priority to activities which will benefit low and moderate income families, meet other community development needs having a particular urgency because an existing condition poses a serious and immediate threat to the health and welfare of the community and other financial resources are not available to meet such needs, or aid in the prevention or elimination of blighted or deteriorated areas.
- G. It will comply with the regulations, policies, guidelines and requirements of the Grants Management Handbook as they relate to the application, acceptance and use of funds under this part and with Subparts C, K, and O of 24 CFR 570.
- H. It will administer and enforce the labor standards requirement set forth in §570.603 and HUD regulations issued to implement such requirements.
- I. It will comply with all requirements by State and/or Federal government concerning special requirements of law, program requirements, and other administrative requirements.
- J. It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards and Executive Order 11990 relating to the prevention, control and abatement of water pollution.
- K. It will require every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided under this part to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1971, subject to the exceptions contained in 41 CFR 101-19.604. The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor.
- L. It will comply with:
1. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant or, in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

2. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services.
 3. Section 109 of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR Part 570.601), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be subjected to discrimination under any program or activity funded in whole or in part with funds provided including discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973.
 4. Executive Order 11063 on equal opportunity in housing and non-discrimination in the sale or rental of housing built with Federal assistance.
 5. Executive Order 11246, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60), which provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal or Federally-assisted construction contracts. Contractors and subcontractors on Federal and Federally-assisted construction contracts shall take affirmative action to insure fair treatment in employment upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training and apprenticeship.
- M. It will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.
- N. It will:
1. To the greatest extent practicable under State law, comply with Sections 301 and 302 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and will comply with Section 303 and 304 of Title III.
 2. Inform affected persons of their rights and of the acquisition policies and procedures set forth in Section 301 of the Uniform Act.
- O. It will:
1. Comply with Title II (Uniform Relocation Assistance) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and HUD implementing regulations at 24 CFR Part 42 and 5570.602(a);
 2. Provide relocation payments and offer relocation assistance as described in Section 205 of the Uniform Relocation Assistance Act to all persons displaced as a result of acquisition of real property for an activity assisted under the Small Cities Program. Such payments and assistance shall be provided in a fair, consistent and equitable manner that ensures the relocation process does not result in different or separate treatment of such persons on account of race, color, religion, national origin, sex or source of income;

3. Assure that, within a reasonable period of time prior to displacement, comparable decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, or source of income; and
 4. Inform affected persons of the relocation assistance, policies and procedures set forth in the regulations at 24 CFR Part 42 and 5570.602(a).
- P. It will establish safeguards to prohibit employees from using positions for a purpose that is, or gives the appearance of being, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- Q. It will comply with the provisions of the Hatch Act which limits the political activity of employees.
- R. It will give the State of West Virginia, HUD and the General Accounting Office through any authorized representatives access to and the right to examine all records, books, papers, or documents related to the grant.
- S. It will insure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) List of Violating Facilities and that it will notify the State of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under construction for listing by the EPA.
- T. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Pub. L. 93-234, 87 Stat. 975, approved December 31, 1973. Section 103(a) required on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.
- U. It will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1968 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archeological and Historical Data Act of 1966 (16 U.S.C. 469a-11 et. seq.) by:
1. Consulting with the State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the proposed activity, and
 2. Complying with all requirements established by HUD to avoid or mitigate adverse effects upon such properties.
- V. It will provide and maintain competent and adequate architectural engineering supervision and inspection at all construction sites to insure that the completed work conforms with the approved plans and specifications and that all contract provisions have been complied with.

- W. It will assume responsibility to insure that all program funds are accounted for consistent with program objectives, and all Federal, State, and local laws and regulations.
- X. It will cause the project to be audited and will promptly refund to the State any funds received not supported by audit.

Larry D. Cisto
Signature

6-10-83
Date

I, Larus D. Casto, Mayor of the Town of Poca
do hereby certify, in accordance with the requirements of Title 1 of the Housing and Community
Development Act of 1974 as amended through 1983 in relation to activities proposed to be undertaken as
outlined in the application for funding assistance under the 1983 non-entitlement portion of the
Housing and Community Development Act appropriation, that the Town of Poca
will:

1. Minimize displacement of persons as a result of activities assisted with such funds;
2. Conduct and administer its program in conformity with Public Law 88-352 and Public Law 90-284,
and that it will affirmatively further fair housing;
3. Provide for opportunities for citizen participation, hearings, and access to information with
respect to its community development program which will include the publication of a proposed
statement in such a manner as to afford affected citizens an opportunity to examine its
content and to submit comments on the proposed statement and on the community development
performance of (the) Town of Poca and;
4. Not attempt to recover any capital costs of public improvements assisted in whole or in part
with funds from this program by assessing any amount against properties owned and occupied by
persons of low and moderate income, including any fee charged or assessment made as a
condition of obtaining access to such public improvements unless (a) funds received are used
to pay the proportion of such fee or assessment that relates to the capital costs of such
public improvements that are financed from other revenue sources; or (b) for purposes of
assessing any amount against properties owned and occupied by persons of low and moderate
income who are not persons of very low income, the Town of Poca
certifies to the State of West Virginia that it lacks sufficient funds received under the
program to comply with the requirement of clause (a).

Signed

x *Larus D. Casto*

Title

Mayor

Date

6-10-85

TOWN OF POCA

Sewer Revenue Bonds,
Series 1987 A and Series 1987 B

ACCEPTANCE OF DUTIES OF REGISTRAR

KANAWHA VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in the City of Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of Poca Sewer Revenue Bonds, Series 1987 A and Series 1987 B, all dated March 12, 1987, in the aggregate principal amount of \$1,094,278 and agrees to perform all duties of Registrar in connection with such Bonds, all as set forth in the Local Act authorizing issuance of the Bonds.

Dated this 12th day of March, 1987.

KANAWHA VALLEY BANK, NATIONAL ASSOCIATION

By


Its CORPORATE TRUST ADMINISTRATIVE
officer

03/11/87
POCA3-K

TOWN OF POCA

Sewer Revenue Bonds,
Series 1987 A and Series 1987 B

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

THE NATIONAL BANK OF COMMERCE OF NITRO, a national banking association, with principal office in Nitro, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond and Notes Ordinance of the Town of Poca, enacted February 23, 1987, authorizing issuance of the Town's Sewer Revenue Bonds, Series 1987 A and Series 1987 B, both dated March 12, 1987, in the aggregate principal amount of \$1,094,278 (collectively, the "Bonds") and agrees to perform all duties of Depository Bank in connection with such Bonds, all as set forth in said Ordinance.

Dated this 12th day of March, 1987.

THE NATIONAL BANK OF COMMERCE OF NITRO

By David G. Dawson
Its President & CEO

03/11/87
POCA3-L

TOWN OF POCA

Sewer Revenue Bonds,
Series 1987 A and Series 1987 B

CERTIFICATE OF REGISTRATION OF BONDS

I, CHARLOTTE S. MORGAN CORPORATE TRUST ADMINISTRATIVE ^{Officer} of Kanawha Valley Bank, National Association, as Registrar under the Local Act and Registrar's Agreement providing for the \$1,094,278 aggregate principal amount of Sewer Revenue Bonds, Series 1987 A and Series 1987 B, of the Town of Poca (the "Issuer"), hereby certify that on the 12th day of March, 1987, the single fully registered Series 1987 A Bond of the Issuer in the principal amount of \$878,743 designated "Sewer Revenue Bond, Series 1987 A," numbered AR-1, and the single fully registered Series 1987 B Bond of the Issuer in the principal amount of \$215,535 designated "Sewer Revenue Bond, Series 1987 B," numbered BR-1, were registered as to principal and interest (the Series 1987 B Bond being registered as to principal only) in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of the Kanawha Valley Bank, National Association, as Registrar.

WITNESS my signature as of this 12th day of March, 1987.

KANAWHA VALLEY BANK, NATIONAL ASSOCIATION

By Charlotte S. Morgan
Its Corp. Trust Admin. Officer

03/11/87
POCA3-M

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 12th day of March, 1987, by and between the TOWN OF POCA, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and KANAWHA VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$1,094,278 aggregate principal amount of Sewer Revenue Bonds, Series 1987 A and Series 1987 B, in fully registered form (collectively, the "Bonds"), pursuant to a Bond and Notes Ordinance enacted February 23, 1987, and a Supplemental Resolution adopted March 7, 1987 (collectively, the "Local Act");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Local Act, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Local Act provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Local Act and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Local Act and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Local Act, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or

by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Local Act with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Local Act, the terms of the Local Act shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Local Act will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:	Town of Poca
	Post Office Box 138
	Poca, West Virginia 25159
	Attention: Mayor

REGISTRAR: Kanawha Valley Bank, National Association
One Valley Square
Post Office Box 1793
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Local Act.

IN WITNESS WHEREOF, the TOWN OF POCA and KANAWHA VALLEY BANK, NATIONAL ASSOCIATION, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

TOWN OF POCA

By

Samuel D. Costa
Mayor

KANAWHA VALLEY BANK, NATIONAL ASSOCIATION

By

Charlotte Morgan
Its CORPORATE TRUST ADMINISTRATIVE
OFFICER

03/11/87
POCA5-E

EXHIBIT A

[Included in transcript as Document No. 1]

INVOICE

MAYOR LARUS CASTO

TOWN OF POCA
POCA WV



ONE FINANCIAL PLACE
Kanawha Valley Bank, N.A.

DATE: MARCH 12, 1987

UNITS	ITEM DESCRIPTION	TOTAL
	\$878,743 SERIES A AND \$215,535 SERIES B REVENUE BONDS - 1987 SERIES ONE TIME FEE FOR SERVICES AS REGISTRAR AND AUTHENTICATING AGENT	\$500.00

SEND REMITTANCE TO: KANAWHA VALLEY BANK, N.A.
CORPORATE TRUST DEPARTMENT
P.O. BOX 1793
CHARLESTON, W.VA. 25326-1793

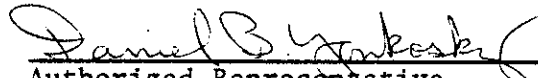
MS-6301

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto Kanawha Valley Bank, National Association, Charleston, West Virginia, the Sewer Revenue Bond, Series 1987 A, of the Town of Poca in the principal amount of \$878,743, numbered AR-1, standing in the name of West Virginia Water Development Authority on the books of said Issuer.

Dated: March 12, 1987.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY



Authorized Representative

03/11/87
POCA3-N

ESCROW AGREEMENT

This AGREEMENT, made and entered into as of the 12th day of March, 1987, by and among the TOWN OF POCA, West Virginia (the "Issuer") and the WEST VIRGINIA MUNICIPAL BOND COMMISSION (the "Escrow Trustee").

W I T N E S S E T H T H A T :

WHEREAS, the Issuer, pursuant to an Ordinance enacted August 10, 1964 (the "Prior Ordinance"), issued its Sewer Revenue Bonds, dated July 1, 1964 (the "Prior Bonds"), in the aggregate principal amount of \$102,000, of which \$76,000 in principal amount are outstanding as of the date hereof;

WHEREAS, the Issuer has determined by resolution adopted March 12, 1987, to defease the Prior Bonds by placing in escrow with the Escrow Trustee the sum of \$ 81,505, which sum is sufficient to pay (i) the entire principal amount of the Prior Bonds becoming due on July 1, 1987; (ii) all interest to accrue on the Prior Bonds to and including July 1, 1987; and (iii) a redemption premium of 4% of the outstanding principal amount of Prior Bonds, or in the alternative, which sum is at least sufficient to purchase United States Treasury Obligations, which, together with interest to be paid thereon, will provide sufficient moneys to pay when due, the interest on and principal of the Prior Bonds to and including the scheduled maturity thereof, being July 1, 2004;

WHEREAS, the Escrow Trustee will, at its option and in its sole judgment from moneys in the Escrow Fund herein described, either (i) cause to be purchased on behalf of the Issuer, United States Treasury Obligations (the "Government Securities") in such principal amount and which mature and bear interest at such rates and are payable at such times and in such amounts as to insure the payment of the principal of and interest on the Prior Bonds as they become due through July 1, 2004, or (ii) effect the redemption of the Prior Bonds on July 1, 1987, by payment in full of the outstanding principal amount thereof, interest accrued thereon and a redemption premium of 4%; and

WHEREAS, the Issuer has found it desirable to appoint the Escrow Trustee for the purposes of holding title, as trustee, to the cash and/or Government Securities in the Escrow Fund, receiving

payments of the principal thereof and interest thereon when due, disbursing to the paying agent for the Prior Bonds such amounts as may be necessary to provide for payment of interest and redemption premium on and principal of the Prior Bonds when due or upon such earlier redemption date, and holding and investing and reinvesting any cash balances which may at any time not be needed for immediate disbursement;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and in order further to secure payment of the Prior Bonds, as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

1. Receipt of true and correct copies of the Prior Ordinance and resolution authorizing defeasance of the Prior Bonds is hereby acknowledged by the Escrow Trustee.

2. There is hereby created and established with the Escrow Trustee a special and irrevocable trust fund designated the "Town of Poca Prior Bonds Escrow Fund" (hereinafter referred to as the "Escrow Fund"), to be held in the custody of the Escrow Trustee, separate and apart from other funds of the Issuer or the Escrow Trustee. The deposit of securities or moneys in the Escrow Fund shall constitute an irrevocable deposit of said securities or moneys in trust for, and such moneys and securities, together with any income or interest earned thereon, shall be applied, except as otherwise provided herein, to either (i) payment of principal of and interest on the Prior Bonds as the same shall become due and payable through July 1, 2004, or (ii) to redemption of the Prior Bonds on July 1, 1987, including payment of the principal amount thereof then outstanding, interest accrued to such date and a redemption premium of 4% of such outstanding principal amount.

3. Prior to May 1, 1987, the Escrow Trustee shall determine whether (i) to purchase the Government Securities and from the maturing principal of and interest to be earned thereon, pay the principal of and interest on the Prior Bonds as the same shall become due to and including the scheduled final maturity thereof, being July 1, 2004 or (ii) to redeem the Prior Bonds on July 1, 1987, by paying, on such date, the entire principal amount of Prior Bonds outstanding, all interest accrued to such date and a redemption premium of 4% of such outstanding principal amount.

4. The Escrow Trustee shall exercise one of the two options described in paragraph 3 hereof, and the Issuer hereby consents to the exercise of either such option, regardless of whether the Issuer agrees with the decision of the Escrow Trustee.

5. The holders of the Prior Bonds shall have an express lien on all moneys and assets in the Escrow Fund until paid out, used and applied in accordance with this Agreement.

6. After the payment of all the Prior Bonds, the interest thereon and redemption premium, if applicable, the amounts remaining in the Escrow Fund shall be returned to the Issuer by the Escrow Trustee and the Issuer shall deposit such amounts in the "Revenue Fund" for its municipal sewerage works.

7. The Escrow Trustee shall not be entitled to any fees for services rendered under this Agreement. The Issuer shall reimburse or pay to the Escrow Trustee any expenses incurred by the Escrow Trustee in the performance of its duties hereunder, including, but not limited to expenses for publication of required notices. In no event, however, shall the Escrow Trustee or the paying agent have any lien whatsoever upon any of the moneys or Government Securities in the Escrow Fund for the payment of such expenses.

8. Neither the Escrow Trustee nor the paying agent for the Prior Bonds shall have any responsibility with respect to the sufficiency of this Agreement to effect defeasance of the Prior Bonds. The liability of the Escrow Trustee and the paying agent for the Prior Bonds for the payment of the principal of and interest on the Prior Bonds shall be limited to the application of the moneys and Government Securities available for such purposes in the Escrow Fund. Neither the Escrow Trustee nor the paying agent for the Prior Bonds shall be liable or responsible because of the failure of the Issuer to perform any act required of it by this Agreement.

9. If any outstanding Prior Bonds are not presented for payment when due, and moneys are held by the Escrow Trustee or the paying agent for the Prior Bonds for payment thereof, such moneys shall be held for such purposes for a period of 6 years from the date such payment was due, at which time such moneys shall be paid to the Issuer. Prior to such repayment by the Escrow Trustee or the paying agent for the Prior Bonds to the Issuer, the Escrow Trustee shall cause to be published at least twice at an interval of at least 7 days between publications in a newspaper published and circulated in the City of Charleston, West Virginia, a notice that said moneys remain unclaimed and that after a date named in said notice, which date shall be the date of such repayment and shall not be less than 30 days after the date of the first publication of such notice, such moneys shall be paid to the Issuer as its absolute property and free from trust. The Issuer shall pay the cost of publishing such notice.

10. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of any of the parties hereto shall be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

11. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

12. This Agreement is made in the State of West Virginia under the Constitution and laws of such State and is to be so construed.

13. This Agreement shall terminate on the earlier of the date on which all the outstanding Prior Bonds have been redeemed, paid and discharged in accordance with the provisions of the Prior Ordinance or, as described in Paragraph 9, above, 6 years after the last date on which payment of the redemption price of and accrued interest on the Prior Bonds is due. Upon termination of this Agreement, any remaining moneys and Government Securities in the Escrow Fund shall be transferred as provided in paragraph 6 hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

TOWN OF POCA

By Larry D. Costa
Mayor

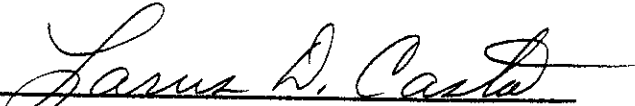
WEST VIRGINIA MUNICIPAL BOND COMMISSION

By R. W. [Signature]
Its Executive Director

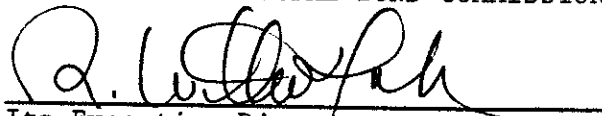
03/10/87
POCA5-G

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

TOWN OF POCA

By 
Mayor

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By 
Its Executive Director

03/10/87
POCA5-G

TOWN OF POCA

Joint Certificate of Issuer and Escrow Trustee on
Defeasance of 1964 Bonds

The undersigned LARUS D. CASTO, Mayor of the Town of Poca, a municipal corporation of the State of West Virginia (the "Issuer"), and the undersigned R. WITTER HALLAN, Executive Director of the West Virginia Municipal Bond Commission (the "Escrow Trustee") hereby jointly certify as follows in connection with the above-captioned Bond issue:

1. We have executed on behalf of the Issuer and the Escrow Trustee, respectively, the Escrow Agreement between the Issuer and the Escrow Trustee, dated as of March 12, 1987.

2. The moneys on deposit in the Escrow Fund pursuant to the said Escrow Agreement are sufficient to discharge the Prior Bonds described in the Escrow Agreement, and to pay, on July 1, 1987, the entire principal of and redemption premium and accrued interest on the Prior Bonds.

WITNESS our signatures this 12th day of March, 1987.

TOWN OF POCA

By Larus D. Casto
Mayor

WEST VIRGINIA MUNICIPAL BOND COMMISSION,
as Escrow Trustee

By R. Witter Hallan
Its Executive Director

03/11/87
POCA3-U


RESOLUTION

The Council of the Town of Poca hereby resolves to deposit, on or prior to March 12, 1987, the sum of \$ 81,505 with the West Virginia Municipal Bond Commission, which sum shall be placed in escrow and applied solely to payment of the City's Sewer Revenue Bonds, dated July 1, 1964 (the "Prior Bonds") in accordance with the terms of an Escrow Agreement, the form of which is attached hereto and made a part hereof, so as to defease the Prior Bonds and permit issuance of the City's Sewer Revenue Bonds, Series 1987, to the West Virginia Water Development Authority on a first-lien basis.

This resolution shall take effect immediately.

Adopted this 9th day of March, 1987.

TOWN OF POCA


Mayor

03/10/87
POCA5-M